RECEIVED

AUG 27 2001

Bureau of Land Mgmt
Fillmore Field Office

Form 3160-3
(December 1990)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: UTU 74490

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

7. UNIT AGREEMENT NAME:

1b. TYPE OF WELL: OIL WELL [ ] GAS WELL [ ] OTHER Exploration SINGLE ZONE [x] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME, WELL NO.: CL8#01

2. NAME OF OPERATOR: United Oil and Minerals

9. API WELL NO.:

3. ADDRESS AND TELEPHONE NO.: 1001 Westbank Dr, Austin, TX 78746

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2071.10 FNL & 2054.93 FWL
At proposed prod. zone:

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec 8 T20S R7W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 12 miles South of Oasis

12. COUNTY OR PARISH: Millard

13. STATE: Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
3425	3813.02	3813.02

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS
NA	6000 ft	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 4585.8' GR

22. APPROX. DATE WORK WILL START*: October 1, 2001

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 ¼	9 5/8 J-55	36	700	385 sx
8 ½	5 ½ J-55	17	6000	990 sx

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [signature] TITLE Engineer/Agent DATE 8-22-01

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [signature] TITLE Field Office Mgr. DATE 10-16-01

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL

United Oil and Minerals

Crater Bench CB9#01, UTU 074484

Section 9: SW4SE4, T. 15 S., R. 7 W., SLM, Utah and

Clear Lake CL8#01, UTU 074490

Section 8: SE4NW4, T. 20 S., R. 7 W., SLM, Utah

Notices:

1. Approval of this application does not warrant nor certify that the applicant holds legal or equitable title to those rights in the subject lease, which would entitle the applicant to conduct operations thereon.

2. All lease and/or unit operations shall be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100, 3160, and 3180), lease/agreement terms, Onshore Oil and Gas Orders, and Notice to Lessee's, and this approved plan of operations.

3. The operator is fully responsible for the actions of any subcontractor.

4. A copy of the approved application and these conditions shall be maintained on location during all construction and drilling operations. Deviation from the approved plan without prior approval is not allowed.

5. Operators have the responsibility to assure that activities authorized by this permit are conducted in a manner that complies with other applicable Federal, State and local laws and regulations.

6. Be advised that United Oil and Minerals is considered the operator of these wells, Crater Bench CB9#01 in Section 9, T. 15 S., R. 7 W., SLM, Millard County, Utah, on Lease UTU 074487 and Clear Lake CL8#01 in Section 8, T. 20 S., R. 7 W., SLM, Millard County, Utah, on Lease UTU 074490. United Oil and Minerals is responsible for the operations conducted on the leased lands.

7. Bond coverage is provided by BLM Bond No. 68S100956900BCM via surety consent as provided in 43 CFR 3104.2.

8. This office shall hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 are met.

9. This Application for Permit to Drill (APD) shall be valid

for one year from the date of approval, provided the lease does not expire. If activities have not commenced by the end of the one-year period, the APD shall be returned to the operator without prejudice. Should the operator still desire to drill the well, a new APD must be submitted to this office. Upon written request by the operator, the Authorized Officer may grant a one-time, 90-day extension to this time period.

10. If at any time, the facilities located on public lands, authorized by the terms of this lease, are no longer included in the lease (due to a contraction on the unit or other lease or unit boundary change) the BLM shall process a change in the authorization to the appropriate statute. The authorization shall be subject to appropriate rental or other financial obligation determined by the Authorized Officer.

11. Review and appeal rights are contained in 43 CFR 3165.5 and 3165.4. Contact the Fillmore Field Office, BLM, for further information.

12. Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or conditions of approval shall be considered a violation subject to the enforcement provisions of 43 CFR 3163.

Required Notifications:

1. The operator shall contact the Fillmore Field Office, Bureau of Land Management, in advance, to schedule an on-site meeting prior to commencement of access and site construction or reclamation activities. An advance notification of one week is required to allow for scheduling the meeting.

Contact: Jerry Mansfield, Geologist
(435) 743-3125, Fillmore Field Office
(801) 540-5506, Home

At least forty-eight (48) hours prior to spudding, including dry hole digger or rat hole rigs, the above contact shall also be made.

The operator must also contact the Petroleum Engineer, Utah State Office, at least forty-eight (48) hours prior to the following operations:

a. Pressure testing of BOPE or any casing string
b. Running and cementing all casing strings
c. Plugging operations

Contact: Al McKee, Petroleum Engineer
(801) 539-4045 BLM Utah State Office

Also, notify Jerry Mansfield, prior to the conduct of the above down-hole operations.

2. In the case of newly drilled dry holes and in any emergency situation, after hour authorization may be obtained by contacting the following individuals, in the order listed:

Jerry Mansfield, Geologist
(435) 743-3125 Fillmore Field Office
(801) 540-5506 Home

Al McKee, Petroleum Engineer
(801) 539-4045 BLM Utah State Office

Robert Henricks, Branch Chief of Fluid Minerals
(801) 539-4041 BLM Utah State Office

Drilling Plan:

1. Any usable quality water or prospectively valuable minerals, which are encountered above the proposed cementing program, may necessitate adjustments to the intermediate and production casing cementing programs. Usable quality water encountered at any depth shall be isolated and/or protected in accordance with Onshore Order #2.

2. To determine the top of cement (TOC) and bond quality, cement bond logs (CBL) or cement evaluation tools (CET) shall be run for the intermediate and production casing strings.

3. A salt zone may be encountered at a depth of approximately 5780 feet. Should a salt zone be encountered, cement should be brought to the surface for the 5 1/2 inch casing.

4. All drill stem operations shall be conducted in accordance with Onshore Order No. 2. III.D. *Drill Stem Testing Requirements:*

5. The flare line shall be installed in accordance with Onshore Order No. 2, Drilling Operations, and shall extend to a flare pit.

6. No hexavalent chromate additives shall be used in the mud system in order to protect usable quality water aquifers.

7. Daily drilling and completion progress reports shall be submitted to the Fillmore Field Office on a weekly basis to the attention of Jerry Mansfield.

8. Two copies of all logs and a single copy of core descriptions, core analyses, drill stem tests, well-test data, geologic summaries, sample descriptions, and all other

surveys or data obtained and compiled during the drilling and/or completion operations shall be submitted to the Fillmore Field Office, Attention of Jerry Mansfield.

9. Gas produced from this well may not be vented or flared beyond an initial authorized test period of thirty (30) days or fifty (50) MMCF without prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring, as uneconomic, is granted. The operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval, which is determined to have been avoidably lost.

10. Operations authorized by the permit shall not be suspended for more than thirty (30) days without prior approval of the Authorized Officer. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

11. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the fifth (5th) business day after any well begins production, on which royalty is due, anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than ninety (90) days, the operator shall notify the Authorized Officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

12. The date on which production is commenced or resumed shall be construed, for oil wells, as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, whichever first occurs; for gas wells it will be the date on which gas is first measured through permanent metering facilities.

    Failure to comply with this requirement, in the manner and time allowed, may result in liability for a civil penalty of up to $10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

13. No variances to the minimum standards of Onshore Order No. 2 were requested nor granted by the Authorized Officer.

Surface Use Plan:

1. If snow is present on the ground when construction begins, the operator shall remove it before the topsoil is stripped and stockpile it separately, and down gradient, from the topsoil stockpile.

2. The top 6 to 8 inches of soil material shall be removed from the new access and pad. Topsoil shall be stockpiled separately adjacent to the pad as described in the surface use plan. Topsoil shall be reserved for reclamation and not utilized for any other purpose. If operations exceed one year the stockpiled topsoil shall be signed and seeded to reduce erosion.

3. Any use or storage of explosives on the site or access route to the site will be done in accordance and compliance with Bureau of Alcohol, Tobacco, and Firearms regulations and any State requirements.

4. The reserve pit shall be located in cut material, with at least 50 percent of the pit constructed below original ground level, to prevent failure of the pit dike. Any fill dikes shall be compacted in lifts.

5. All drilling fluids must be contained in the reserve pit. All appropriate measures must be taken to prevent leakage into the substratum or onto the surface. All appropriate measures must be taken to prevent overflow, and a minimum of two feet of freeboard must be maintained in the reserve pit. Design of the liner is dependent upon the site conditions and the operator, however, it must be approved prior to construction by the Authorized Officer of the BLM; a bentonite liner being preferred.

   Upon completion of drilling operations, the reserve pit shall be de-watered as stated in the surface use plan. The reserve pit fence shall be completed by constructing the fourth side once the waste fluid has been removed and the pit shall be allowed to completely dry. All junk, debris, or other foreign material must be removed before initiating any dirt work to restore the location. The pit shall be backfilled to slightly above grade to allow for settling of the unconsolidated fill material.

6. If the flare pit is constructed by fill embankment, a keyway or core trench 10 to 12 feet wide shall be excavated to a minimum depth of 2 to 3 feet below the original ground level. The core of the embankment must be constructed with water-impervious material.

7. The fence around the reserve pit shall be maintained in good repair during drilling operations and while the pit dries. It must remain in place until the pit is completely dry and site restoration begins.

8. Any accumulations of hydrocarbons in the reserve pit shall be removed and recovered for sale unless it is determined by the Authorized Officer to be waste oil. All waste oil shall be disposed of properly at approved facilities.

9. The reserve pit and that portion of the location and access road not needed for production or production facilities shall be reclaimed as specified by the Authorized Officer. All stockpiled topsoil, in proportion the area being reclaimed, shall be used in reclaiming unused areas.

10. Site reclamation shall include re-contouring the location to the approximate pre-disturbed contour; evenly redistributing stockpiled topsoil over the re-contoured areas; scarifying re-contoured areas, including the access road, by use of a disk or harrow prior to reseeding; and drilling or broadcasting seeds at a time specified by the BLM.

Seeding:

Common Name	Scientific Name	Rate (#/acre)
Four-Wing Salt Bush	Atriplex Canecsens	½
Alkali Sacaton	porobolus Airoides	3
Basin Wildrye	Elymus Cinereus	3
Russian Wildrye	Elymus Junceus	2
Shadscale Salt Bush	Atriplex Confertifolia	½
Forage Kochia	Kochia Postrata	1
		10 total

The seed will be certified, pure live seed and seed tags must be available if requested by the Authorized Officer. No noxious weeds shall be in the seed mixture.

Reclaimed areas shall not be re-contoured to a smooth condition, but be left in a slightly roughened condition to collect precipitation and to promote seed germination. Areas that cannot be drilled may be broadcast seeded. If seed is broadcast, then a harrow or some other implement shall be dragged over the seeded area to assure seed coverage. Fencing, constructed in accordance with Bureau standards, will be required to protect the site from cattle grazing until vegetation is reestablished.

11. All fences will be constructed to Bureau standards, which are available upon request.

12. Produced hydrocarbons shall be put in test tanks on location during completion work. Produced water will be put in the reserve pit during completion work per NTL-2B.

13. All permanent structures, including pumping units, constructed or installed shall be painted a flat, non-

reflective, earth-tone color and shall be painted within six (6) months of construction or installation. Permanent structures are defined as being on location for six (6) months or longer. Facilities that are required to comply with Occupational Safety and Health Act (OSHA) shall be excluded. The required paint color is desert brown #10YR6/3.

14. Pesticides and herbicides use on BLM administered lands shall be approved prior to application.

15. Appropriate sanitation permits, from the County, shall be obtained prior to any construction related activity.

16. All equipment and vehicles will be confined to the access roads and pad as specified in the APD.

17. If the existing county road access requires additional construction or widening, then approval shall be obtained from the Authorized Officer prior to such work.

18. A copy of the agreement with Millard County for use of the existing county road shall be provided to the Authorized Officer prior to the start of operations approved under this permit.

19. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials and contact the Authorized Officer. Within five (5) working days, the Authorized Officer will inform the operator as to:

    - Whether the materials appear to be eligible for the National Register of Historic Places,

    - The mitigation measures the operator will likely have to undertake before the site can be used, assuming in-situ preservation is not necessary, and

    - A time frame for completion an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

    If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials which may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide

technical and procedural guidelines for the conduct of mitigation. Upon verification form the Authorized Officer that the required mitigations has been completed the operator will then be allowed to resume construction.

20. No surface discharge or other release of water shall be allowed without prior approval from the Authorized Officer.

21. Appropriate water rights and use permits shall be obtained from the State of Utah.

22. If the well is producible, an additional drilling plan and surface use plan shall be submitted to the Authorized Officer for approval prior to any additional work.

FAX

ATTN. Lisha Cordova

Fax Number 101081118013593940

Phone Number

FROM nancy roberts

Fax Number 719-395-8546

Phone Number

SUBJECT CL8#01

Number of Pages 2

Date 2/7/02

MESSAGE

Lisha,

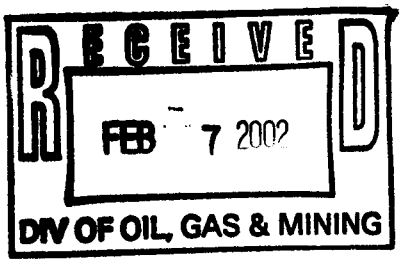
Per our discussion. Thanks much.

Nancy

Nancy Roberts
1010 Tenth St.
Golden, CO 80401

February 6, 2002

Ms Lisha Cordova
Utah Division of Oil, Gas & Mining
1594 W North Temple Suite 1210
Salt Lake City, UT 84114-5801



RE: United Oil and Minerals
Millard County Wells

VIA FACSIMILE: 801-359-3940

Dear Lisha:

The water source for the drilling of this well has changed. We will not be drilling a well as previously thought. The water will be obtained from the Delta Irrigation Company, certification # 2387 WR # 68-6.

If there is any further information that you need please contact me at either 303-618-3135 or 719-395-8546. Or you can email me at Nancyroberts1@aol.com. Thank you for your assistance in this matter.

Best regards,

Nancy Roberts

Nancy Roberts
1010 Tenth St.
Golden, CO 80401

February 6, 2002

Ms Lisha Cordova
Utah Division of Oil, Gas & Mining
1594 W North Temple Suite 1210
Salt Lake City, UT 84114-5801

RE: United Oil and Minerals
Millard County Wells

Dear Lisha:

Attached is the APD package for the CL8#01. As we spoke we are ready to move on this well as the OA3#01 was a dry hole. I really appreciate you expediting this for me.

If there is any further information that you need please contact me at either 303-618-3135 or 719-395-8546. Or you can email me at Nancyroberts1@aol.com. Thank you for your assistance in this matter.

Best regards,

Nancy Roberts

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 74490

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

B. TYPE OF WELL: OIL ☑ GAS ☑ OTHER Exploration SINGLE ZONE ☐ MULTIPLE ZONE ☐

7. UNIT or CA AGREEMENT NAME:

2. NAME OF OPERATOR: United Oil and Minerals

8. WELL NAME and NUMBER: CL8#01

3. ADDRESS OF OPERATOR: 1001 Westbank CITY Austin STATE TX ZIP 78746

PHONE NUMBER: (512) 328-8184

9 FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL (FOOTAGES)

AT SURFACE: 2071.10' FNL & 2054.93' FWL 4328005 N 356085 E

AT PROPOSED PRODUCING ZONE: same

10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 8 20S 7W

13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 12 miles South of Oasis

11. COUNTY: Millard

12. STATE: UTAH

14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	15. NUMBER OF ACRES IN LEASE:	16. NUMBER OF ACRES ASSIGNED TO THIS WELL:
3425	3813.02	3813.02
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**18. PROPOSED DEPTH:**	**19. BOND DESCRIPTION:**
NA	6,000	Statewide
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**21. APPROXIMATE DATE WORK WILL START:**	**22. ESTIMATED DURATION:**
4585.8'GR	2/11/2002	20 days

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4	9 5/8	J55	36	700	385 sx	Class C	15.8	1.17
8 1/2	5 1/2	J55	17	6,000	165 sx	Class C	11	3.91
					676 sx	50/50 Poz Pr	14.3	1.61

RECEIVED
FEB 07 2002
DIVISION OF
OIL, GAS AND MINING

24. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER

☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

☑ COMPLETE DRILLING PLAN

☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Nancy Roberts TITLE Engineer/Agent

SIGNATURE Nancy Roberts DATE

(This space for State use only)

API NUMBER ASSIGNED: 43-027-30042

Federal Approval of this Action is Necessary

APPROVAL:

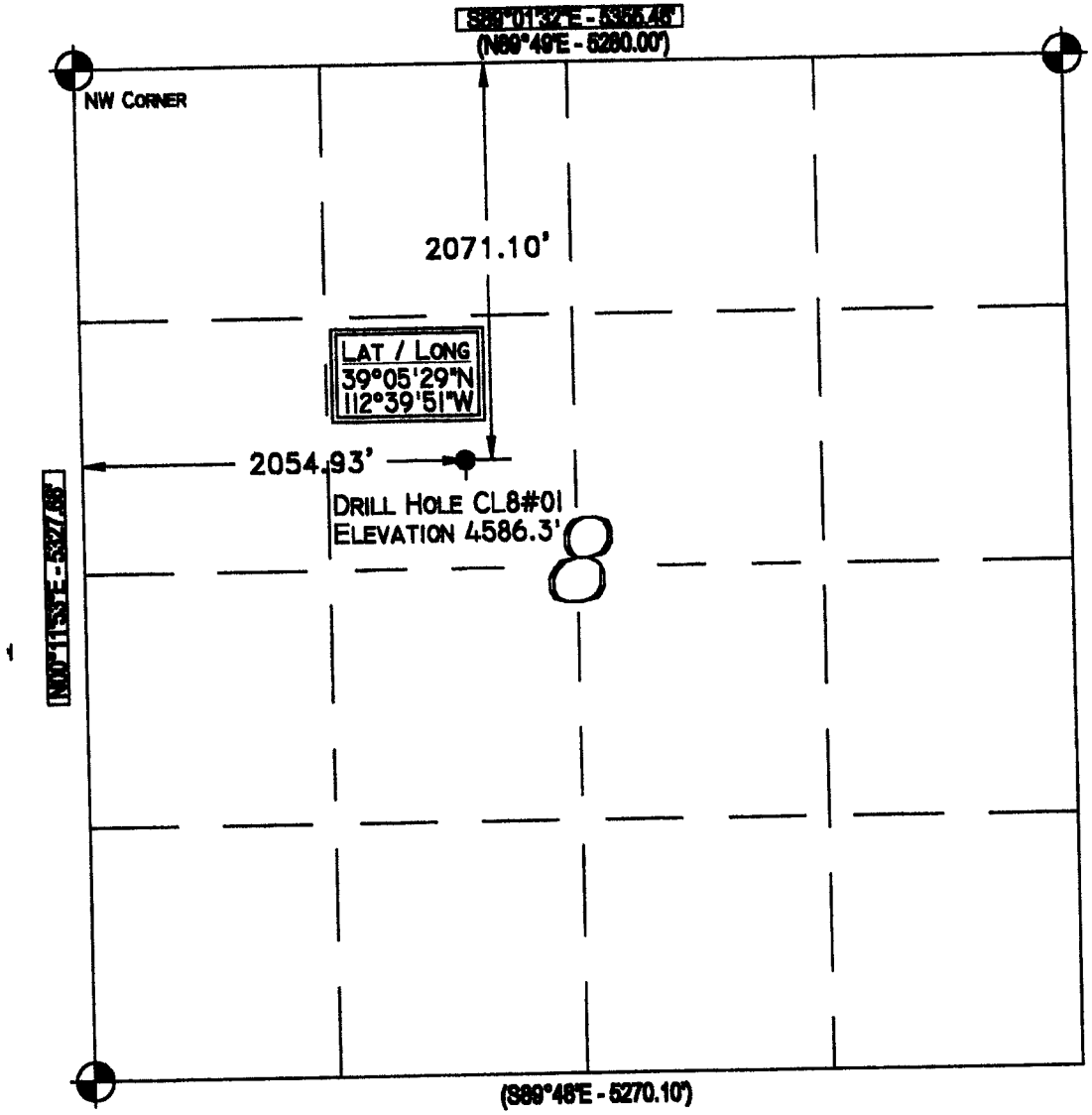
Approved by the Utah Division of Oil, Gas and Mining

Date: 02-07-02

By:

(5/2000) (See Instructions on Reverse Side)

Range 7 West



Legend

- Drill Hole Location
- Wood Post (Found)
- Brass Cap (Searched for, but not found)
- Calculated Corner
- GLO
- GPS Measured

NOTES:
1. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.
2. WOOD POST ARE 6 TO 8 INCHES IN DIAMETER AND ARE USED AS SECTION CORNERS.

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

Location:
THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:
THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:
THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:
BASIS OF ELEVATION OF 4585' BEING AT A BENCH MARK IN THE NORTH WEST 1/4 OF SECTION 8, TOWNSHIP 20 SOUTH, RANGE 7 WEST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE CLEAR LAKE QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:
PROPOSED DRILL HOLE LOCATED IN THE SE1/4, NW1/4 OF SECTION 8, T20S, R7W, S.L.B.&M., BEING 2071.10' SOUTH AND 2054.93' EAST FROM THE NORTHWEST SECTION CORNER OF SECTION 8, T20S, R7E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

REGISTERED LAND SURVEYOR
6-18-01
No. 146652
Albert J. Spensko
STATE OF UTAH

Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603

UNITED OILS AND MINERALS
WELL CL8#01
Section 8, T20S, R7W, S.L.B.&M.
Millard County, Utah

Drawn By	Checked By
J. STANSFIELD	L.W.J./A.J.S.
Drawing No. A-1	Date 06/12/01
	Scale 1" = 1000'
Sheet 1 of 1	Job No. 367

CONFIDENTIAL

Limited Partnership
1001 Westbank Drive
Austin, TX 78746

Drilling Plan

Drilling Project:: Clear Lake

Well Name and Number: CL8#01

Drilling Contractor: Unknown

Address:

City,St,Zipcode:

Rig:

Well Location:

Footage	Section	Township	Range	CO, ST
2071.10 FNL & 2054.93 FWL	8	20S	7W	Millard, Utah

Proposed TD: 6000'

Geologic Tops:

Formation	Top	Oil/gas Expected	Anticipated Pressure
Surface	0	-	-
Basalt	3095	Either	1340 psi
	6000	Either	2600 psi
TD	5500		

Pressure Control Equipment:

3M – 11 SRRA
1 set pipe rams rated to 3000 psi, 1 set blind rams rated to 3000 psi
To be tested at time of installation, prior to drilling out, whenever any seal subject to test pressure is broken, following related repairs.

Casing:

Conductor	18-5/8", 87.5#, J-55	NEW	ST&C
Surface	9-5/8", 36#, J-55 @ 700'	NEW	ST&C
Intermediate			
Production	5-1/2", 17#, J-55 @ 6000'	NEW	ST&C

Contingency Program: Run 7" Intermediate and a 5" flush joint production string

The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially production zones, lost circulation zones, abnormally pressured zones and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use.

The surface casing shall be cemented back to the surface either during the primary cement job or by remedial cementing. Cementing of surface casing will be with

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Limited Partnership
1001 Westbank Drive
Austin, TX 78746

Premium cement with 2% Calcium Chloride, accelerator, .25 lb/sk Flocele, lost circulation. Volume is 385 sks, this is based on a 100% excess to bring the cement to the surface.

Cementing of the long string is proposed as follows, and is designed to bring the cement to surface: Lead Cement: 165 sks cement with 1% Econolite, lt weight addtv, .125 lb/sk Poly-E-Flake, lost circ mtrl, 10 lb/sk Gilsonite, lost circ mtrl, 2 lb/sk Granulite TR ¼, lost circ mtrl, 16% Bentonite, light weight addtv, 0.7% HR-7, retarder, 3% salt. Tail Cement 350 sks 50/50 Poz Premium with .125 lb/sk Ploy-E-Flake, lost circ mtrl, 10% salt.

All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested.

The surface casing shall have centralizers on the bottom three joints of casing (a minimum of 1 centralizer per joint starting with the shoe joint).

Casing program is subject to revisions based on geologic conditions encountered.

DESIGN FACTORS:

Burst:	1.2
Collapse:	1.2
Joint	1.8
Body	1.5

Mud Program: 9 ppg LSND system with LCM

Solids removal efficiency 75%

There will be sufficient mud on location to control a blowout should one occur. A mud test shall be performed every 24 hours after mudding up to determine as applicable: density, viscosity, gel strength, filtration, and PH.

Logging/Testing Programs:

DST	1 anticipated
Coring	None anticipated
Log Suite	GR/CNL/HDIL-SP/DAL/ZDL w/Pe/Caliper/Hexdip

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United Oil and Minerals
Limited Partnership
1001 Westbank Drive
Austin, TX 78746

Surface Use Program:

Road Locations:

Existing roads will be maintained in the same or better condition.

Attached are topographic maps which are labeled and show the access route to the location. The access will be from State Rt 257 and an existing gravel road. A new road will be constructed from the county road to the well site, this road will be approximately 400 feet. The new road construction will be a maximum width of 14 feet, maximum grade of 5%, no major cuts nor cattleguards are anticipated. The road will be surfaced as necessary with gravel.

Existing Wells:

None

Proposed Facilities:

On well pad. However, since this is a wildcat production facilities necessary are not yet known. Once the well is completed plats will be submitted with the proposed facilities as a Subsequent Operation.

Water Supply:

It is currently anticipated that a water well will be drilled. It is understood that BLM Range Management would like for the well to be transferred to them after United Oil and Minerals has no further use of the well. If a well is dug the water will be piped to use on the location. The other alternative is to obtain water from Clear Lake. Currently negotiating with Clear Lake Management on this issue. If water is obtained from Clear Lake the water will be moved via water truck. #68-6 Delta Irrigation (see chg. letter 2-6-02) fe

Construction Materials:

Topsoil will be stripped to a depth of 6" and stockpiled in an area not disturbed by construction activities. Any additional materials necessary will be gravel brought in from a gravel pit approximately 15 miles east of Delta. It is not anticipated that any Federally owned materials will be used.

Waste Disposal:

Drill cuttings will be dewatered and left in the reserve pit. The reserve pit will be lined with Bentonite, which will be ripped to allow for natural seepage and the cuttings buried in the pit. The pit will then be backfilled to slightly above grade and reseeded, seed plan to follow.

Drilling fluids will be disposed of into the drilling pit and allowed to dry prior to backfilling the pit.

All State and local laws and regulations pertaining to disposal of hum and solid waste shall be complied with.

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Burnable waste will be contained in a portable trash cage. This waste is to be transported to a State approved waste disposal site upon completion of drilling operations.

No hazardous substances as defined by CERCLA will be used in the construction of this well site and access road. Commercial preparations which may contain hazardous substances, may be used in drilling and production operations and will be transported within the project area. These materials which may contain hazardous substances, will be handled in an appropriate manner to minimize potential for leaks or spills to the environment. No RCRA hazardous wastes will be generated in the drilling operations. Exempt reserve pit contents will be buried on-site.

No chemicals from the Environmental Protection Agency's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986, in excess of 10,000 pounds will be used, produced, stored, transported, or disposed of annually. No extremely hazardous substances as defined in 40 CFR 355, will be used, produced, stored , transported or disposed of in connection with the drilling of this well.

All trash will be hauled away to an approved disposal site.

Produced water will be put in the reserve pit during completion work.

Ancillary Facilities:

Not applicable

Well Site Layout:

Plat attached
Reserve pit to be lined with Bentonite.

The top 6" of topsoil will be removed from the location including areas of cut, fill and/or subsoil storage areas and stockpiled at the site.

The drilling pit will be constructed so that at least half of its total volume is below natural ground level.

The drilling pit will be fenced on the three non-working sides prior to the drilling operations. The remaining side will be left open to accommodate the drilling and completion rigs. This side will be fenced immediately after the completion rig moves out.

Cultural Resources:

Completed by BLM.

Contamination Prevention:

Diligence will be maintained to minimize the spillage of any petroleum products. Storage of gas, diesel fuel, oil lubricants and other petroleum products shall be handled in a manner for compliance with all applicable Federal laws and regulations. This includes but is not limited to Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA) and Toxic Substances Control Act of 1976.

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Reclamation:

Surface of the area is relatively flat and the disturbed site and access route will be re-leveled and the stockpiled topsoil will be redistributed over the area. The site will then be re-seeded, with seed drilled to a depth of ½ to 1". If the site can not be drilled the seed will be broadcast at double the normal seeding concentration. The seeding will be completed during the fall between October 1 and November 30. Seeding will be repeated until a satisfactory stand is established.

Seeding:

Common Name:	Scientific Name	Rate (#/acre)
Four-Wing Salt Bush	Atriplex Canescens	½
Alkali Sacaton	porobolus Airoides	3
Basin Wildrye	Elymus Cinereus	3
Russian Wildrye	Elymus Junceus	2
Shadscale Salt Bush	Atriplex Confertifolia	½
Forage Kochia	Kochia Postrata	1
	Total	10

Seed to be certified, pure live seed and the seed tags will be available at the time of seeding if requested.

If the well is productive than all disturbed areas not needed for production equipment and workover operations will be re-contoured by grading to return the site to approximate the original contour of the ground and then topsoil will be spread evenly over the area. The area will then be seeded as stated above.

Surface Ownership:

Bureau of Land Management and no rights-of-ways are required for the access roads.

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Operator's Certification:

Be advised that United Oil and Minerals is considered to be the operator of well CL8#01Section 8, Township 20S, Range 7W. SLB&M, Lease UTU 74490, Millard County, Utah, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for these wells are provided by BLM Bond No. 68S100956900BCM .

The Bureau of Land Management will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 Continuing responsibility, are met.

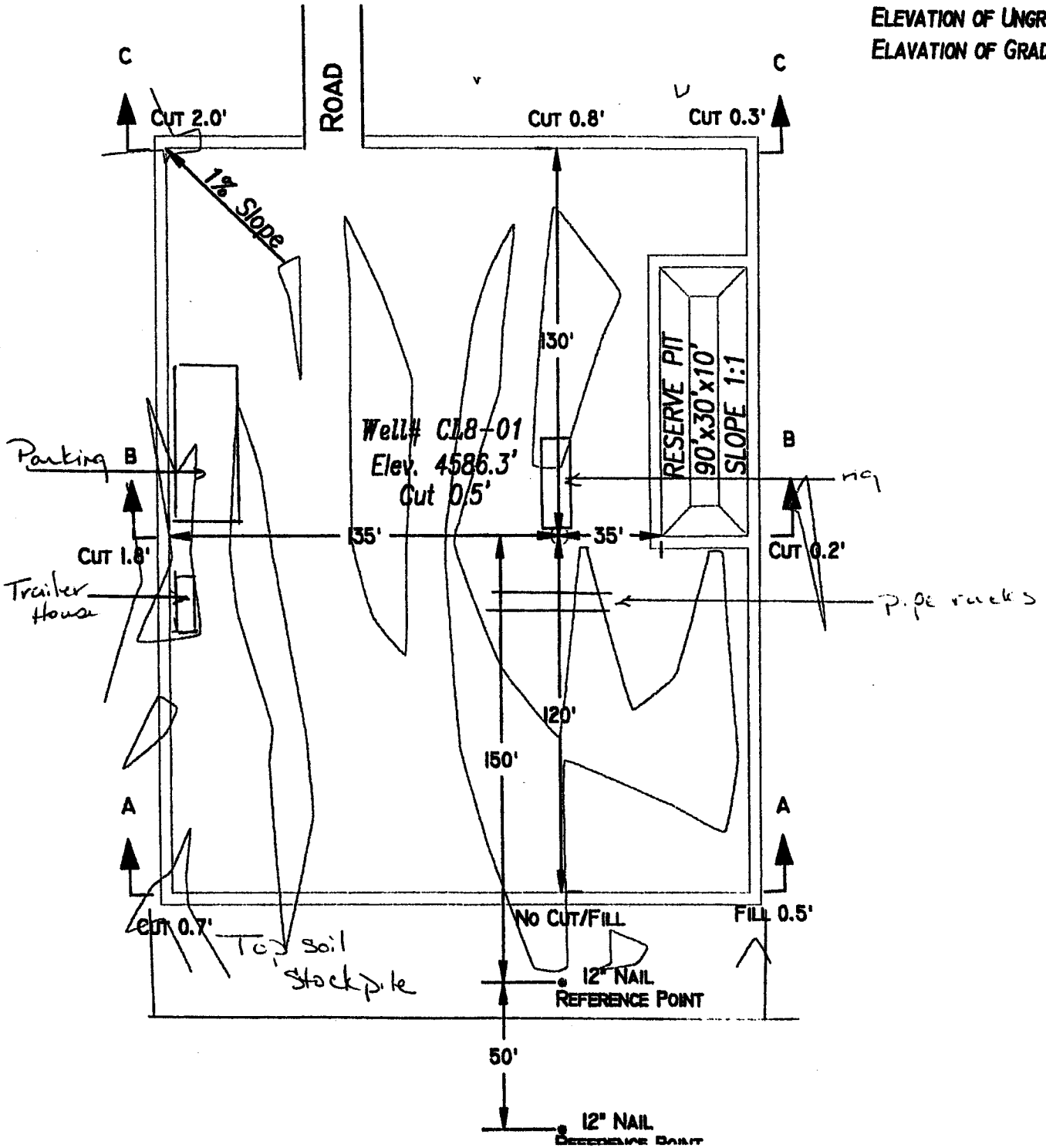
I herby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by United Oil and Minerals and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: 11·13·01

Name: [signature]

Title: Engineer / Agent

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 4586.3'
ELAVATION OF GRADED GROUND AT LOCATION STAKE = 4585.8'



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N
U.O.M.

Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603

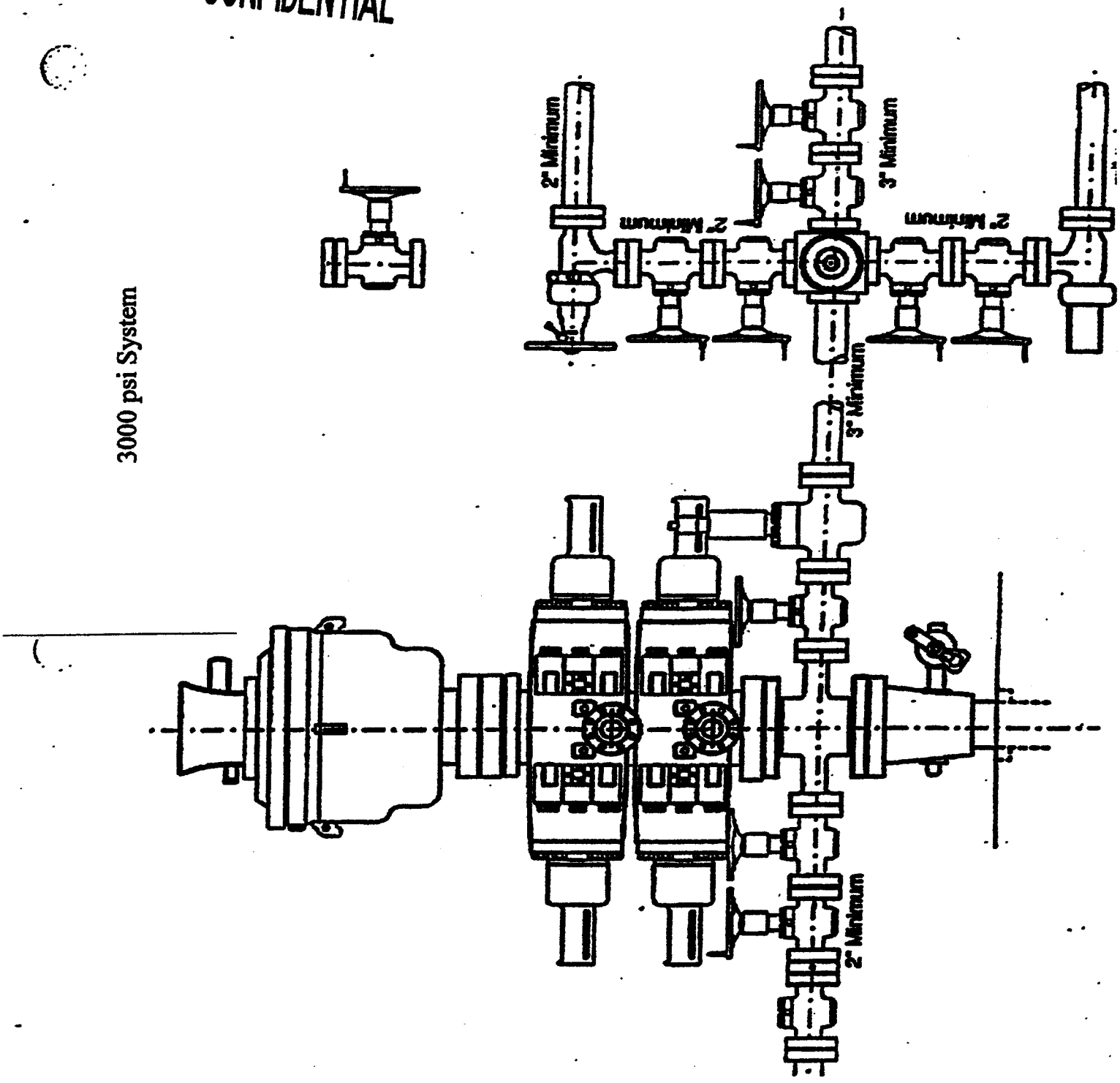
UNITED OILS & MINERALS
LOCATION LAYOUT
Section 8, T20S, R7W, S.L.B.&M.
WELL CL8#01

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 06/12/01
	Scale: 1" = 50'
	Job No.

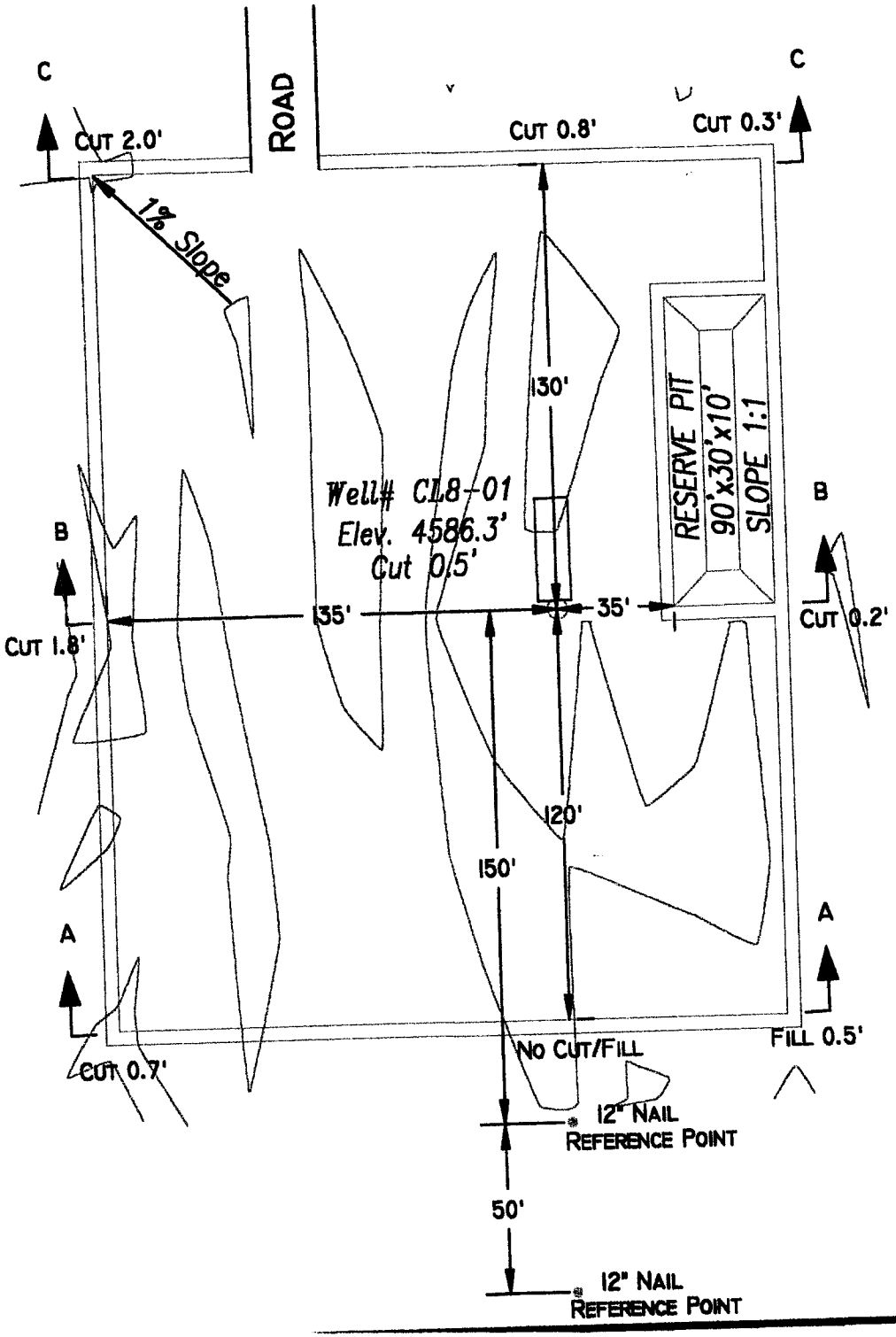
CONFIDENTIAL

EXHIBIT B

3000 psi System



ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 4586.3'
ELAVATION OF GRADED GROUND AT LOCATION STAKE = 4585.8'



N
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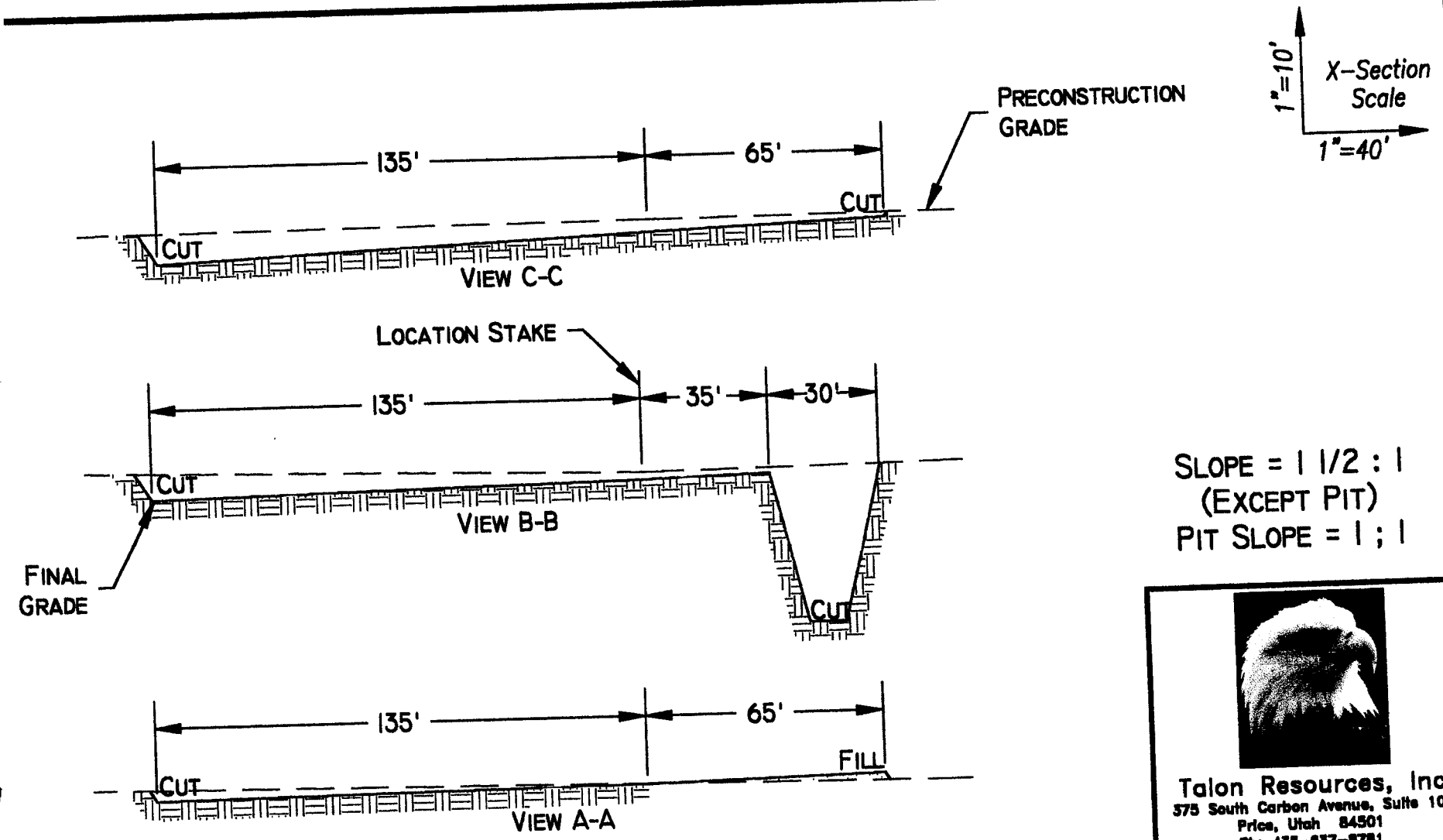
Fax: 435-636-8603

UNITED OILS & MINERALS
LOCATION LAYOUT
Section 8, T20S, R7W, S.L.B.&M.
WELL CL8#01

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No.: A-2	Date: 06/12/01
	Scale: 1" = 50'
Sheet 2 of 4	Job No.: 367



SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 ; 1

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Fax: 435-636-8603

UNITED OILS & MINERALS
TYPICAL CROSS SECTION
Section 8, T20S, R7W, S.L.B.&M.
WELL CL8#01

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No.: C-1	Date: 06/12/01
	Scale: 1" = 40'
Sheet 8 of 4	Job No.: 367

APPROXIMATE YARDAGES

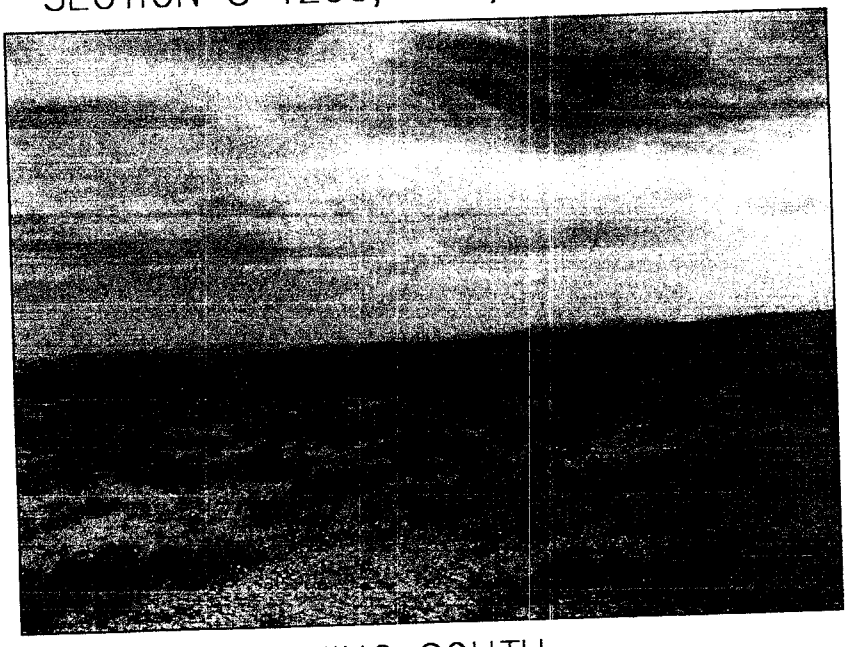
CUT
(6") TOPSOIL STRIPPING = 750 CU. YDS.
REMAINING LOCATION = 1,417 CU, YDS.
TOTAL CUT = 2,092 CU. YDS.
TOTAL FILL = 34 CU. YDS.

UNITED OIL & MINERALS

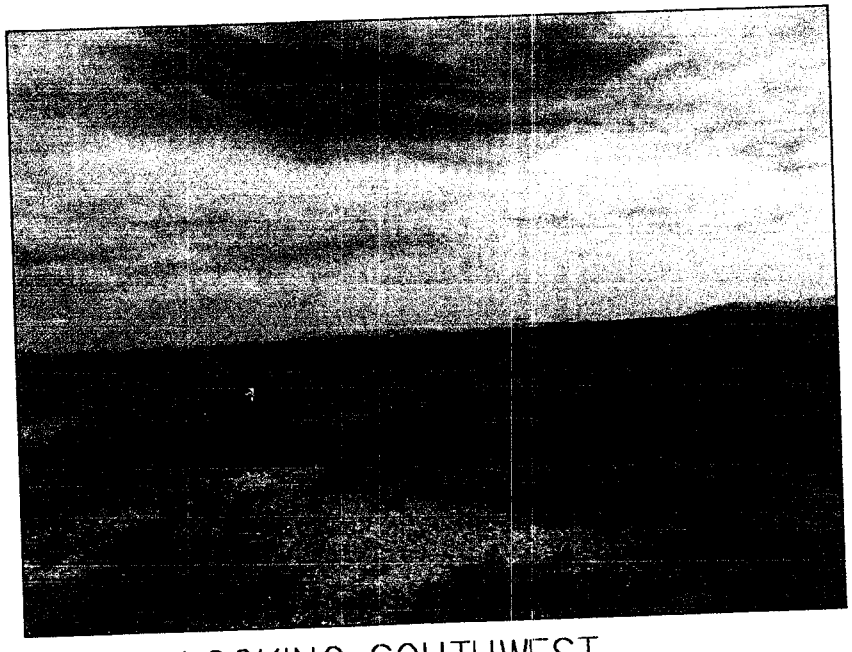
CL8#01

LOCATED IN MILLARD COUNTY, UTAH

SECTION 8 T20S, R7W, S.L.B.&M.



LOOKING SOUTH



LOOKING SOUTHWEST

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375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781

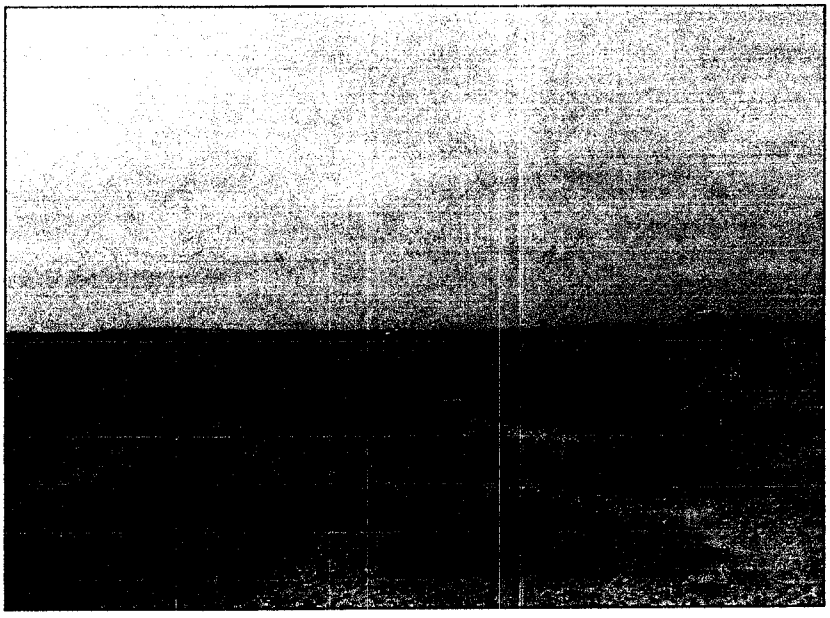
LOCATION PHOTOS

P-1

UNITED OIL & MINERALS

CL8#01

LOCATED IN MILLARD COUNTY, UTAH
SECTION 8 T20S, R7W, S.L.B.&M.



LOOKING NORTH, TOWARDS ACCESS

Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781

LOCATION PHOTOS

P-2

PLAN CONFORMANCE/NEPA COMPLIANCE RECORD

NEPA Document No. J-010-001-068

BLM Office: Fillmore Field Office

Proposed Action Title/Type: Clear Lake Exploratory Well\Oil&Gas

Location of Proposed Action: SE4NW4, Sec., 8, T. 20 S., R. 7 W.

Description of Proposed Action: Application for Permit to Drill an Oil and Gas exploration well in Millard County, Utah

Applicant (If Any): United Oil and Minerals, Lease UTU-074490

PART I: PLAN CONFORMANCE REVIEW. This action is subject to the following land use plan:

Name of Plan:	Date Approved:
Warm Springs Resource Area (WSRA), The Resource Management Plan and Record of Decision, Rangeland Program Summary	March 30, 1987

Surname(s) of Reviewer(s)

Remarks: The proposed action has been reviewed for conformance with this plan (43 CFR 1610.5, BLM MS 1617.3) and is in conformance with the WSRA Record of Decision on page 47.

PART II: NEPA REVIEW.

A. **Categorical exclusion review.** This proposed action does not qualify as a categorical exclusion under 516 DM 6, Appendix 5.4.

Surname(s) of Reviewer(s)

Remarks:

B. **Existing EA/EIS review.** This proposed action is addressed in the following existing BLM EA/EIS:

Surname(s) of Reviewer(s)

Remarks:

C. **FONSI:** I have reviewed this environmental assessment and related documents including the explanation and resolution of potentially significant environmental impacts. I have determined that the proposed action will not have any significant impacts on the human environment and that an EIS is not required.

Rex Lowley — 12-18-01

Field Office Manager — Date

PART III: DECISION. It is my decision is to accept the proposed action as written with the mitigations described in the environmental assessment.

Rex Lowley — 12-18-01

Field Office Manager — Date

Rationale: The decision to allow the proposed action is based on the following four reasons:

1. The proposed action is consistent with the Warm Springs Resource Area, The Resource Management Plan and Record of Decision, Rangeland Program Summary.

2. This decision will allow the lessee to execute rights granted by holding a Federal oil and gas lease.

3. Potential impacts can be adequately mitigated by stipulations.

4. During public review period, no objections or comments were received concerning the proposed action.

EA Number J-010-001-068

ENVIRONMENTAL ASSESSMENT

CLEAR LAKE EXPLORATION WELL

Team Leader:

Jerry Mansfield, Geologist

Participating Staff:

Gale Bennett, Wild Horse and Burro Specialist
Paul Caso, Rangeland Management Specialist
Brent Crosland, Range Technician
Nancy Demille, Realty Specialist
Lynn Fergus, Outdoor Recreation Planner
Harvey Gates, Range Conservationist
Mark Pierce, Wildlife Biologist
Erik Kreusch, Archaeologist

Reviewed by:

Field Office Environmental Coordinator — Date 12 Dec 01

Field Office Manager — Date 12-18-01

INTRODUCTION

United Oil and Minerals (United) is the operator for Federal Oil and Gas Lease, U-074490. On July 09, 2001, The Fillmore Field Office of the Bureau of Land Management (BLM) received a Notice of Staking (NOS) for oil and gas exploration from United. An on-site meeting took place on July 12, 2001 (see Attachment A) to identify issues and concerns so they could be addressed by the applicant in the Application for Permit to Drill (APD). On August 27, 2001, United filed an APD to drill an exploratory well as allowed under the rights granted to the lessee. Additional information required to complete this Environmental Assessment (EA) was provided on November 16, 2001.

Cultural resource inventory, threatened, endangered, and sensitive plant and animal surveys were performed by the BLM prior to the completion of this EA (see Attachment B). The location of the proposed drill site was surveyed and marked on the ground and procedures for identification of resources to be protected were taken prior to proceeding with the analysis of this project.

A. PURPOSE AND NEED

The purpose of the proposed action is to gather new geologic information and to explore for oil and gas. This EA is being prepared to determine whether significant impacts to the environment would result from drilling the proposed exploratory well.

This project is in conformance with the Warm Springs Resource Area, The Resource Management Plan Record of Decision Rangeland Program Summary (1987). This environmental document is tiered to the Warm Springs Resource Area Proposed Resource Management Plan/Final Environmental Impact Statement (1986), and to the Warm Springs Resource Area RMP Oil and Gas Leasing Implementation Environmental Assessment (1988), which was prepared to address the oil and gas category and any special stipulations to be applied to any subsequently issued oil and gas lease.

B. DESCRIPTION OF THE PROPOSED ACTION AND ALTERNATIVES

1. PROPOSED ACTION

a. Location, Access, and Drill Pad

The proposed well, CL8#01, would be located on Federal Lease UTU-074490 in T. 20 S., R. 07 W., Section 08, SE4NW4, Salt Lake Meridian (SLM), Millard County, Utah. The community of Deseret is approximately 13 miles north of the proposed well site. The Clear Lake Waterfowl Management Area is approximately two miles east of the proposed well site. Attachment A includes a general location map.

State Highway 257 provides access from U.S. Highway 6 and 50. Access from Highway 257 is by an improved gravel road (Clear Lake Road), which is maintained by Millard County Road Department. The total distance along the Clear Lake Road from State Highway 257 to the proposed access road to be constructed is approximately 4.5 miles (See map included in Attachment A.) The Clear Lake Road would be used without widening or upgrading. Millard County requires a Conditional Use Permit be obtained prior to mobilizing heavy equipment on county maintained roads.

Road construction is proposed from the Clear Lake Road to access the drill pad for CL8#01. (See map included in Attachment B.) The new access road would be constructed on lease. Approximately 450 feet of new access road is proposed. The maximum overall width would be 14 feet. The grade of the road would be essentially level and culverts would be installed, if necessary. No turnouts would be constructed on existing or proposed access roads. Any surface materials that are required would be either native materials from

the location and/or access site or materials purchased from a private source. All travel would be confined to location and access routes.

The road would be constructed to accommodate the anticipated traffic flow and all-weather road requirements. This would include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Road drainage crossings would be of the typical dry creek drainage crossing type. Crossings, if necessary, would be designed so they would not cause siltation or accumulation of debris in the drainage crossing, nor will the roadbed be allowed to block the drainages. Diversion of water at frequent intervals by means of cutouts will prevent erosion of drainage ditches by runoff water. Upgrading would not be done during muddy conditions. If necessary, prior to upgrading, the road would be cleared of any snow cover and allowed to dry completely. Should mud holes develop in the road, they would be filled in and detouring around them would be avoided.

The drill pad would be constructed for placement of a drill rig and associated equipment and facilities that are necessary to drill the well. Rig-associated equipment and facilities may include water tanks, fuel tanks, a brine water trailer, pumps, pump houses, generators, a generator house, a doghouse (drillers' station), and pipe racks. A borehole, data recording unit and living quarters also would be on site, and various, small hand and power tools needed for drilling operations would be available. A reserve pit and if used, a flare pit would be constructed adjacent to the drill pad.

Prior to constructing the drill pad, topsoil would be stockpiled adjacent to the proposed pad. The topsoil stripped and stockpiled would measure approximately 750 cu yds. The drill pad must be level and smooth. The natural slope, above the proposed pad level, would be cut using earth moving equipment. All cut and fill slopes, including the reserve pit, would have a slope of 1:1 (Horizontal:Vertical) and cuts would generally be less than two feet (see location layout included in Attachment B). Mass balance, based on an engineering survey, would produce an excess of material. Waste from the cut material on site would be stockpiled adjacent to the pad. The waste stockpile would measure approximately 1,417 cu.yds.

The drill pad would measure 250 feet by 200 feet, while the reserve pit would measure 30 feet by 90 feet and have a depth of 10 feet. Including the topsoil stockpile, waste stockpile, and new access road, the total surface disturbance would be approximately two acres.

A reserve pit would be constructed as part of the drill pad in cut material and would be lined with bentonite clay. The reserve pit would be fenced on three sides during drilling operations and on the fourth side when the drill rig is removed. Pits would be fenced and maintained until the site is reclaimed. All pits would be fenced according to the following minimum standards.

- A 39-inch net wire would be used with at least one strand of barbed wire on top of the net wire unless pipe or some type of reinforcement rod is attached to the top of the entire fence.

- The net wire would be no more than two inches above the

ground. If barbed wire is used it would be three inches above the net wire. Total height of fence would be no more than 42 inches.

- Corner posts would be cemented and/or braced in such a manner to keep the fence tight at all times. Standard steel, wood, or pipe posts would be used between the corner braces. Maximum distance between any two posts would be no greater than 16 feet.

- All wire would be stretched before final attachment to the corner posts.

Borehole cuttings would be deposited in the reserve pit. Saltwater, Drilling Fluid, or testing tanks would be located and/or diked so that any spilled fluids would flow into the reserve pit. Saltwater tanks would not be placed on topsoil stockpiles.

A flare pit, if used, would be constructed in cut material near the reserve pit. The flare pit would be located downwind of the prevailing wind direction, a minimum of 100 feet from the wellhead.

b. Fuel Tanks, Fluid Wastes and Solid Wastes

Fuel tanks would be located on the drill pad. The operator, prior to their installation on the drill pad, would verify the integrity of the tanks to contain fluids and insure proper operation of valves and hoses.

Fluids produced during the completion operation would be collected in test tanks. Produced water would be contained on site for a period not to exceed 90 days. Any spills of oil, gas, salt water or other noxious fluids would be collected and hauled to an approved disposal site. Burning would not be allowed.

Garbage would be stored in a trash cage or dumpster and disposed of at an approved facility according to local and state regulations. Disposal would not be allowed on location. No trash would be disposed of in the reserve pit. Sewage would be disposed of according to county and state requirements and appropriate sanitation permits would be acquired from the County Sanitation and Health Department. Sealed chemical portable toilets would be on location during drilling operations. Waste and chemicals would not be disposed of on location.

The operator has stated in writing that no hazardous substances as defined by the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) will be used in the construction of the well site or access road. That preparations that may contain hazardous waste used during drilling and completion operations will be handled in such a manner as to minimize potential for leaks or spills to the environment. Further, they have stated that no hazardous wastes as defined by the Resource Conservation and Recovery Act of 1976 (RCRA) will be generated in the drilling operations.

c. Drilling

Make-up water would be needed to drill the exploratory well. Watering access roads and work areas, as necessary, would abate dust, during construction and drilling operations. This water would be purchased from the Clear Lake Waterfowl Management Area or be

obtained from a well drilled on-site. No road improvement is proposed from Clear Lake Waterfowl Management Area to the drill site

The exploratory well would be drilled to the permitted depth. Blow out prevention equipment would be installed on the casing head and tested to ensure control of borehole pressures and fluids, though high pressures are not expected. The well would be drilled with fresh water and weighted mud to maintain borehole pressures. The mud weight would be monitored to ensure proper weighting of the drilling fluid. Casing would be set and cemented, as necessary, to allow drilling and to isolate potentially productive hydrocarbon zones.

BLM geologists and petroleum engineers have reviewed the drilling plan to evaluate the adequacy of casing, cementing and ground water protection.

Drilling and testing would occur on a 24-hour basis. After drilling, favorable geologic intervals would be tested and logged with different borehole geophysical logging tools. Borehole logging units and portable tanks could be used depending on type of logs to be run in the borehole. Depending on weather and hole conditions, drilling operations could be completed within 21 days after spudding the well. The proposed start date is the latter part of November or early December 2001.

d. Reclamation - Non-Producible Well

If hydrocarbons were not producible from the drilled well, then the borehole would be plugged and abandoned, as approved by the Authorized Officer. A sundry notice for abandonment would be filed with the BLM Field Office within 30 days following the completion of the well. Rehabilitation of the site, as stipulated in the Mitigating Measures of this EA, would commence following the completion of the well.

e. Action if Producible Hydrocarbons are Encountered

If producible quantities of gas or oil are found, the well could be shut in pending the development of additional wells, production facilities and a transportation system.

Immediately upon completion of the well, the location and surrounding area would be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production. Any hydrocarbons in the pit would be removed in accordance with 43 CFR 3162.7-1. The reserve pit and that portion of the location not needed for production facilities or operations would be re-contoured to approximate natural contour. The reserve pit would be reclaimed within 120 days from the date of well completion. Before any groundwork takes place, the reserve pit would have all fluids and hydrocarbons and trash removed.

Facilities for the production of gas may include a condensate tank, meters, a pipeline, and upgrading the access road. The entire drill site, except that portion needed for these facilities, would be reclaimed. Approximately ½ acre could be required for production facilities. The production facilities would be removed and the well would be plugged and abandoned after all gas reserves have been produced from the field. This could take as long as 30 to 40 years. Gas production ordinarily necessitates off lease pipelines and

access. Rights-of-way would be required for pipelines and access located off lease.

Facilities for the production of oil may include a tank battery, a pump, meters and pipelines between the wellhead and the tank battery. A flaring system to burn off small amounts of natural gas may be required as well as a pit or tank for produced water. Water produced in conjunction with oil is generally of very poor quality. Small amounts of produced water could be disposed of on site through evaporation. Larger amounts would have to be removed from the site for disposal at a facility approved for handling such materials. Oil probably would be hauled by truck from the location to Salt Lake City, where the closest refineries are located. A very productive well would require about five truckloads per day.

Development of a producible field, including drilling production wells, production facilities, and a transportation system, is beyond the scope of this EA. If the well was producible, the lessee would provide additional plans to address production-related operations.

2. NO ACTION ALTERNATIVE

Under the no action alternative, the proposed well would not be authorized at the described location. However, once a lease is issued to a lessee, the lease grants a right to conduct exploration and development, subject to the terms of the lease. The subject lease does not contain any special stipulations such as no surface occupancy. Even if the lessee was denied the right to drill on the proposed well pad, the lessee under the lease terms has a right to drill at another location within the lease, subject to a site-specific environmental analysis.

C. AFFECTED ENVIRONMENT AND ENVIRONMENTAL CONSEQUENCES

1. GENERAL SETTING

The proposed well is located in an area known as the Sevier and Black Rock Desert. The Sevier and Black Rock Desert Area is a large relatively level area. The area is characterized by patches of basalt protruding from recent fluvial and lacustrine deposits and a lack of sedimentary outcrops. The Sevier and Black Rock Desert is situated in the Basin and Range physiographic province (Stokes, 1986). This province is characterized by Basin and Range extensional tectonics, a consequence of high heat flow in the earth's crust. Generally, relatively narrow, north south trending, mountain ranges (horsts) are separated by broad, flat, basins (grabens) with internal drainage (Hintze, 1988). These mountain ranges are usually bounded by normal faults, which may develop into listric faults at depth (Anderson et al., 1983).

The proposed well site is covered with lacustrine sediments deposited by Lake Bonneville approximately 14,500 - 16,000 years ago (Currey, et al., 1983). Hintze (1963) maps the location as predominately lakebed sediments and quaternary valley fill alluvium and colluvium. The lakebed and valley-fill deposits cover bedrock at depth. Bedrock closest to the surface is inferred to be Quaternary Basalt.

The climate is semiarid, characterized by limited precipitation, low relative humidity, rapid evaporation, high frequency of clear skies, and large daily and annual ranges in temperature. Winters are moderately cold. Summers are mostly hot and rainless. Spring and fall weather is highly variable from year to year and may exhibit extended fair mild weather or rain and snow, storms. Deep or long-duration snow-pack occurs

very rarely on the valley floor, as do extended periods of sub-zero weather. The average annual temperature ranges from 42 to 52 degrees F., and transitory extremes are about 105° F. and 25° F. Average annual precipitation along the valley floor is approximately 8 to 10 inches. The Sevier and Black Rock Desert exhibits internal drainage where runoff collects to the Sevier River and eventually collects and evaporates from Sevier Lake playa (Stokes, 1986).

The Interdisciplinary Team Check List (see Attachment B.) was circulated and the following critical elements were found to not be affected by the proposed action: Areas of Critical Environmental Concern (ACECs), Cultural Resources, Farmlands (prime or unique), Flood Plains, Native American Concerns, Threatened and Endangered Species (plant or animal), Wastes (hazardous or solid), Wetland/Riparian Zones, Wild and Scenic Rivers, Wilderness, Rangeland Standards and Guidelines, and Environmental Justice. Other elements analyzed and found not to be affected were Minerals, Recreation, Forestry, Wildlife, Wild Horse and Burro, Watershed, Water Rights, and Paleontology.

2. PROPOSED ACTION

a. Air Quality

Air quality in the vicinity is affected by emissions from the Inter-Mountain Power Plant, which is within 36 miles of the well site. The construction of the drill pad, new access road, maintaining the existing county access road, and mobilization of crews and equipment during drilling operations may generate dust in the vicinity. Dust would be abated by watering access roads, as necessary. The lessee would provide the Authorized Officer with a copy of the Conditional Use Permit required by Millard County, prior to any construction activity.

Gas from the borehole may be flared on the well site. Such operations would be necessary, and is standard operating procedure, when gas zones are penetrated during drilling. During flaring, some particulates and aerosols could be emitted into the atmosphere. To flare produced gas, a flare line is installed to direct the gas away from the drill rig to be burned at a safer location. Onshore Oil and Gas Order No. 2 requires a minimum distance of 100 feet from the wellhead. The Order also requires directing the flare line in the prevailing downwind direction from the wellhead. A small, shallow, unlined pit could be constructed at the end of the flare line.

Hydrogen sulfide gas could be present in subsurface formations and could be vented into the atmosphere. Hydrogen sulfide is toxic in small quantities and is also flammable. Since this gas is heavier than air (specific gravity = 1.19), it can accumulate in topographically low areas on days with minimal wind and/or atmospheric inversions. Based on the geologic formations that would be penetrated in the borehole, the applicant does not anticipate hydrogen sulfide gas in this well. Submission and approval of a Hydrogen Sulfide Drilling Plan and Public Protection Plan is not required unless the 100ppm threshold of Onshore Oil and Gas Order No. 6 is exceeded.

b. Water Quality

Subsurface ground water is present in the valley fill and may be present in bedrock units. Ground water is present within porous, permeable strata (aquifers). Impermeable strata retard vertical migration between aquifers.

The lessee has proposed lining the reserve pit with a bentonite clay liner. Other precautionary measures would be required to ensure protection of surface or near surface ground water in the local aquifer. These measures would include:

- Collected storm water, which is not contaminated, would be allowed to evaporate in place. If the water appears to be contaminated, as indicated by the presence of a film or sheen, then it would be collected and hauled to an approved disposal site. No surface discharge or other release of contaminated water would be allowed without prior approval from BLM's Authorized Officer.

- Earthen dikes would be required around fuel tanks to contain accidental spills. They would be required to exceed the capacity of the largest tank by 50% and be lined with compacted clay or an artificial liner. Non-abrasive padding may be placed under the tank to provide stability as long as the integrity of the liner is not compromised.

- If lubricants were drained from equipment, then a thick plastic liner would be required under the equipment to collect any spilled material. This spilled material would be drained from the liner and disposed with other petroleum-based fluids. No material would be allowed to drain on the ground. If fuels, lubricants or other hazardous materials accidentally contaminate soils or the ground, such materials would be removed from the public lands and disposed of at an approved disposal site. If the Authorized Officer decides it is necessary, the lessee would be required to collect soil samples below the spill to assure that all hydrocarbon-contaminated soils are removed. If vegetation becomes contaminated, it would be collected, bagged and disposed at an approved facility.

Operations would be conducted in accordance with Onshore Oil and Gas Order No. 2. Drilling would be accomplished with an appropriately weighted drilling fluid to maintain borehole pressures and well control. Onshore Oil and Gas Order #2 requires that all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable mineral deposits would be cased and cemented or plugged and abandoned. All indications of usable water would be reported as required by the Onshore Oil and Gas Order No. 2.

The Authorized Officer must approve the plugging and abandonment of the well. Cement plugs would be set in accordance with Onshore Oil and Gas Order #2 to protect and/or isolate zones that contain fluid with a potential to migrate within the borehole.

BLM Petroleum Engineers and Geologists have found the drilling program to be compliant with Onshore Oil and Gas Order No. 2.

All drilling-related fluids would be contained in the reserve pit or holding tanks. A minimum of two (2) feet of freeboard would be required in the reserve pit. Upon completion of drilling operations, the reserve pit would have all fluids and hydrocarbons removed. Disposal of fluids produced during the completion operation would be in accordance with Onshore Oil and Gas Order No. 7.

If the proposed well is not producible and usable water is encountered, the Authorized Officer would review the data and determine whether to convert its use for the BLM's range or wildlife programs. Should it be so decided, the well would be plugged and abandoned by the operator at a depth below the usable water zone to retain the capability of water production from the well. The operator would reclaim the site as described for a non-producing, hydrocarbon well, except the access and pad would not be totally reclaimed. The newly constructed access would be reduced in width to approximately 12 feet, and a portion of the pad around the converted water well would remain for water production facilities. Approximately ½ acres would remain un-reclaimed for the water production facilities and for access onto the pad.

The BLM would assume all costs and responsibilities for conversion of the well beyond the costs normally incurred when plugging and abandoning a well. The BLM would be responsible for installing any water pump in the borehole and placing a generator and storage tank near the wellhead. Final reclamation of the remaining disturbed area and access used for water production would be the responsibility of the BLM.

c. Soils

The upper six to twelve (12) inches of the soil would be salvaged for distribution over the disturbed surface during reclamation. If topsoil were stockpiled for longer than one year, it would be signed and seeded for stabilization. The proposed action would be mitigated to address scarification depth, drill seeding depth, and season for seed planting.

d. Vegetation

The existing vegetation would be removed during construction and placed in the topsoil stockpile to decompose. The Authorized Officer would require a seed mix and application rate specific for the location. The seed mixture would be designed to quickly establish a plant community that would, stabilize the soil, be similar to that removed, yet allow natural succession to a native state.

c. Noxious Weeds

There are no known infestations of noxious weeds at this site. However, knapweed is known to occur in the area and any new infestations at this site would have to be controlled by the operator as part of the re-vegetation requirement.

d. Other Elements

- Lands Issues

The access road that is to be constructed for this operation is within the oil and gas lease boundary and will not require a right-of-way.

- Range Issues

Proper procedures must be followed to insure that the quality of the range is not permanently affected. Topsoil will be removed and stockpiled. When operations are complete, the site will be re-contoured to the approximate original land

form, the stockpiled top soil will be re-distributed on site, the site will be re-seeded with a seed mixture appropriate for the area, and the site will be fenced to prevent grazing until the seeded plants can be properly established.

- Water Rights

Should a well be drilled on-site for make-up water, the well will be made available for use in the range and wildlife programs of the BLM, when no longer needed for oil and gas exploration.

3. NO ACTION ALTERNATIVE

Exercising the No Action Alternative would result in no change from present conditions.

D. MITIGATING MEASURES

A decision to approve the proposed action would require that the following measures be included to mitigate the affects identified to Air Quality, Water Quality and Noxious Weeds or as standard Conditions of Approval:

1. Submission and approval of a Hydrogen Sulfide Drilling Plan and Public Protection Plan if the 100 ppm H_2S threshold of Onshore Oil and Gas Order No. 6 is exceeded.

2. Usable quality water encountered at any depth shall be isolated and/or protected in accordance with Onshore Oil and Gas Order No. 2. If the proposed well is not producible and usable water is encountered, then at the discretion of the Authorized Officer, the well shall be plugged by the operator from total depth (or bottom hole) to the depth of usable ground water and the well shall be administratively converted for use in the BLM's range or wildlife programs. The BLM will assume all costs and responsibilities for conversion of the water well beyond the costs normally incurred when plugging and abandoning a well.

3. A flare line shall be installed in accordance with Onshore Oil and Gas Order No. 2, Drilling Operations, and shall extend to a flare pit.

4. No hexavalent chromate additives shall be used in the mud system in order to protect usable quality water aquifers.

5. Fences shall be constructed in accordance with the lessee's proposed standards. The three sides of the reserve pit located away from the drill rig shall be fenced during drilling. When the site and rig are demobilized, the fourth side of the pit shall be fenced. The pit fences must remain in place until the reserve pit is completely dry and site restoration begins. Upon final reclamation, the re-seeded area shall be fenced to protect the area until seeded vegetation is established. Fences shall be maintained in good repair.

6. All drilling-related fluids must be contained in the reserve pit or holding tanks. All appropriate measures must be taken to prevent leakage into the substratum or onto the surface. All appropriate measures must be taken to prevent overflow, and a minimum of two (2) feet of freeboard must be maintained in the reserve pit.

   Any fill dikes in the reserve pit shall be compacted in lifts.

Upon completion of drilling operations, the reserve pit shall be de-watered as stated in the surface use plan. Otherwise, a change must be requested of the Authorized Officer. If a synthetic liner is used, the liner will be removed after de-watering. All other junk, debris, or foreign material must be removed before initiating any earthwork to restore the location. The cuttings shall be buried in the reserve pit and the pit shall be backfilled to slightly above grade to allow for settling of the unconsolidated fill material.

7. Earthen dikes shall be required around fuel tanks to contain accidental spills. They will exceed the capacity of the largest tank by 50% and be lined with compacted clay or an artificial liner. Non-abrasive padding may be placed under the tank to provide stability as long as the integrity of the liner is not compromised.

8. If surface water appears to be contaminated, as indicated by the presence of a film or sheen, then it shall be collected and hauled to an approved disposal site. No surface discharge or other release of contaminated water shall be allowed without prior approval from BLM's Authorized Officer.

9. If lubricants are drained from equipment, then a thick plastic liner shall be required under the equipment to collect any spilled material. This spilled material shall be drained from the liner and disposed with other petroleum-based fluids. No material shall be allowed to drain on the ground. If fuels, lubricants or other hazardous materials accidentally contaminate soils or the ground, such materials shall be removed from the public lands and disposed of at an approved disposal site. If necessary, the lessee will collect soil samples below the spill to assure that all hydrocarbon-contaminated soils are removed. If vegetation is contaminated, it will be collected, bagged and disposed at an approved facility.

10. Any accumulations of hydrocarbons in the reserve pit shall be removed and recovered for sale, unless it is determined by the Authorized Officer to be waste oil. All waste oil shall be disposed of properly at approved facilities. The borehole shall not be used for disposal of any waste materials.

11. Produced hydrocarbons shall be put in test tanks on location during completion work. Fluids produced during the completion operation shall be collected in test tanks. Disposal of these fluids will be in accordance with Onshore Oil and Gas Order No. 7.

12. All equipment and vehicles shall be confined to the access roads and pad as specified in the APD.

13. The lessee shall submit to the Authorized Officer a copy of the lessee's Conditional Use Permit with Millard County for access over county roads, prior to any construction activity.

14. Dust shall be controlled by applying water, or by other means as approved by the Authorized Officer and in accordance with federal, state and local emission standards for air quality.

15. If any existing access requires additional construction, upgrading or widening, then approval shall be obtained from the Authorized Officer prior to such work. Access roads and surface disturbing activities shall conform to the standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).

Riprap shall be required at the downstream end of any culverts.

16. A cattle guard and fence braces of a design approved by the Authorized Officer shall be required where the proposed access road crosses fences.

17. Appropriate sanitation permits from the County Sanitation and Health Department shall be obtained prior to any construction related activity.

18. The lessee or their representative shall submit to the Authorized Officer appropriate written agreements and/or permits as necessary for the acquisition and use of water.

19. Any use or storage of explosives on the site or access routes to the site will be done in accordance and compliance with Bureau of Alcohol, Tobacco, and Firearms regulations and any State requirements.

20. The reserve pit and any portion of the location and access road not needed for production or production facilities shall be reclaimed as approved by the Authorized Officer. The stockpiled topsoil shall be applied in proportion to the area being reclaimed.

21. If snow is present on the ground when construction begins, the operator shall remove it before the topsoil is stripped, and stockpile it separately from the topsoil or spoils stockpiles.

22. Prior to the construction of the drill pad and new access, the lessee shall strip vegetation along with the top 6 to 8 inches of topsoil from the undisturbed site and stockpile it adjacent to proposed pad.

23. Stockpiled topsoil shall be used only for reclamation and for no other purpose. If operations exceed one year, the stockpiled topsoil shall be signed and seeded to reduce erosion.

24. If deemed necessary by the Authorized Officer, any material transported from another location that is used in the construction of the drill pad or access road will be removed, as practicable, and disposed of at an approved location. Areas that have been compacted due to operations will be ripped to a depth of approximately 6 inches.

25. Site reclamation shall include contouring the location to reestablishing natural contours and natural drainage. After contouring the stockpiled topsoil will be evenly redistributed and then seeded. Spreading of the topsoil would not occur during wet periods to avoid compaction. Disturbed areas, including access roads, will be scarified to a depth of at least one inch immediately prior to seeding. Reclaimed areas shall not be re-contoured to a smooth condition, but left in a slightly roughened condition to collect precipitation and to promote seed germination. The following seed mixture will be drilled at the application rate below:

Common Name	**Scientific Name**	**Rate (lbs/acre)**
Four-Wing Salt Bush	*Atriplex Canescens*	½
Alkali Sacaton	*Sporobolus Airoides*	3
Basin Wildrye	*Elymus Cinereus*	3
Russian Wildrye	*Elymus Junceus*	2

Shadscale Salt Bush	*Atriplex Confertifolia*	½
Forage Kochia	*Kochia Prostrata*	1
	TOTAL	10

The seed will be certified, pure live seed and seed tags must be available if requested by the Authorized Officer. No noxious weeds shall be in the seed mixture. Fertilizers shall not be applied to reclaimed lands unless recommended by a professional agronomist and will not be applied within 100 feet of any drainage.

Seeding shall be accomplished by drilling. Drill row spacing shall be seven to 12 inches and the depth calibrated for between ½ and one inches. Drilling shall be parallel to contour as much as possible.

Seeding will be done in the fall unless conditions are not conducive to such action. Seeding would be repeated until desirable vegetation attains 50% of the surrounding undisturbed cover, as determined by a method acceptable to the Authorized Officer.

Matting and silt fences, made from geotextiles or straw bales, shall be used based on site-specific conditions, as necessary for erosion control.

26. Final reclamation will include the removal of all culverts, signs, fences, cattle guards and any other improvements.

27. If the well is producible, then an additional drilling plan and surface use plan shall be submitted to the Authorized Officer for approval prior to any additional work.

28. If any Special Status plant species that may be affected or disturbed are discovered during construction or the duration of the project, then all activities that could affect this resource will cease and notification will be made to the plant T&E specialist in the field office.

29. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials and contact the Authorized Officer. Within five (5) working days, the Authorized Officer will inform the operator as to:

- Whether the materials appear to be eligible for the National Register of Historic Places,
- The mitigation measures the operator will likely have to undertake before the site can be used, assuming in-situ preservation is not necessary, and
- A time frame for the Authorized Officer to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, and the advisory council on historic preservation, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this

process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, the operator will then be allowed to resume construction.

30. Additional standard conditions of approval shall be attached to the approved APD to ensure compliance with the regulations and Onshore Oil and Gas Orders.

E. RESIDUAL IMPACTS

Approximately four acres would be disturbed during the construction, drilling and testing phase of the operation. In the case of a non-producible well, reclamation would be initiated upon completion of plugging and abandonment of the borehole. Reclamation would probably be successful and complete within two to four growing seasons after seeding. Therefore, the site could be disturbed for two to four years after the beginning of operations, if the well does not encounter producible quantities of hydrocarbons.

If the well penetrates producible quantities of hydrocarbons, then approximately 2½ acres could remain disturbed for as long as 30 to 40 years or for the duration of production.

Some fugitive dust would be emitted as well as some emissions from vehicles and generators. Some emissions from gas flaring could occur, encountered gas needs to be controlled. If hydrogen sulfide is encountered it would be vented into the atmosphere after approval of a Hydrogen Sulfide Drilling Plan and Public Protection Plan. These impacts to atmospheric resources would be short term.

Wildlife would be displaced from the area of activities until operations were completed.

F. CUMULATIVE IMPACTS

United has submitted an additional APD to drill an exploratory well approximately 30 miles to the north of this location in T. 15 S., R. 7 W., Section 9, Salt Lake Meridian (SLM), Millard County. This proposed well is referred to as Crater Bench CB9#01. The environmental impacts resulting from the proposed exploratory well at the Crater Bench site are expected to be similar to those analyzed in this EA.

No production exists within the vicinity of this proposed well. Drilling an exploratory well does not ensure a discovery. The potential for encountering economic quantities of hydrocarbons in this well is considered low, based on the previous drilling history in the vicinity of the well. Based on a national average, less than ten percent of wildcat wells are producible. Therefore, the cumulative impacts from drilling this proposed well are considered minimal.

Field development, if the well is producible for gas or oil, is beyond the scope of this EA.

G. MONITORING

A BLM certified Petroleum Engineering Technician would conduct inspections, as required by policy, to ensure conformance with the casing design and drilling programs. Surface compliance inspections conducted by personnel from the Fillmore Area Office would monitor and enforce the Surface Use Plan and reclamation.

H. CONSULTATION AND COORDINATION

Staff of United Oil and Minerals, the BLM, Fillmore Field Office, Richfield Field Office, and Utah State Office, were consulted during preparation of this assessment.

Public interest in this proposed action is low. No requests to review of this proposed action or NEPA document have been made by the public.

I. REFERENCES

Anderson, R.E., Zoback, M.L., and Thompson, G.A., 1983, Implications of selected subsurface data on the structural form and evolution of some basins in the northern Basin and Range province, Nevada and Utah: Geological Society of America Bulletin, v. 94, p. 1055-1072.

Bureau of Land Management, U.S. Department of the Interior, 1986, Warm Springs Resource Area Proposed Resource Management Plan/Final Environmental Impact Statement, Richfield District Office, BLM, Richfield, Utah, 162 p.

Bureau of Land Management, U.S. Department of the Interior, 1987, Warm Springs Resource Area The Resource Management Plan Record of Decision Rangeland Program Summary, Richfield District Office, BLM, Richfield, Utah, 88 p.

Currey, D.R., Atwood, G., and Mabey, D.R., 1983, Major Levels of Great Salt Lake and Lake Bonneville: Utah Geological and Mineral Survey, Map 73, Scale 1:750,000.

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Individual Well Reports, BLM well records.

Meinzer, O.E., 1911, Ground water in Juab, Millard, and Iron counties, Utah: U.S. Geological Survey Water Supply Paper 227, 162 p.

Petroleum Information, industry well records.

Stokes, W. L., 1986, Geology of Utah: Utah Museum of Natural History, University of Utah, and Utah Geological and Mineral Survey, Department of Natural Resources, Occasional Paper Number 6.

List of Attachments

Attachment A: Notice of Staking On-Site Inspection Report.

Attachment B: Interdisciplinary Team Checklist.

- Project Proposal Worksheet.
- Proposed Well Location Map.
- Notice of Staking.
  - Location Maps.
  - Location Photos.
  - Survey Plat.
  - Location Layout.
  - Drill Pad Cross Section.
- Threatened, Endangered & Sensitive, Plant Clearance.
- Threatened, Endangered & Sensitive, Animal Clearance.
- Summary Report of Cultural Resources Inspection.

Attachment A

Notice of Staking On-Site Inspection Report.

Attachment B

Interdisciplinary Team Checklist.

Attachment C

Location Map for the Proposed Exploratory Well CL8#01.

Attachment D

Proposed Drill Pad Construction Specifications for CL8#01.

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Attachment D: Proposed Drill Pad Construction Specifications for CB9#01.

Attachment A

Notice of Staking On-Site Inspection Report.

NOS ON-SITE REPORT

Date of Inspection: July 12, 2001

Well #s / Lease #s: Well - CB9#01 / Lease - UTU 074487; Well - CL8#01 / Lease UTU 074490
Operator: United Oil & Minerals
Inspector: Jerry W. Mansfield
Date of Report: July 16, 2001

Report Narrative

Notices of Staking were received for Oil and Gas Wildcat wells CB9#01 and CL8#01 by the Authorized Officer July 09, 2001 from United Oil & Minerals. An on-site pre-operation inspection was performed July 12, 2001. Those present at the inspection were Nancy Roberts, United Oil and Minerals; Harvey Gates, BLM-FFO; and Jerry Mansfield, BLM-FFO.

The legal description of the proposed wells are:

Well No.	Lease	Legal Description (SLM)
CB9#01	UTU 074487	T. 15 S., R. 7 W., Section 9: SW1/4SE1/4
CL8#01	UTU 074490	T. 20 S., R. 7 W., Section 8: SE1/4NW1/4

The lands at the proposed well sites are federal surface and mineral estate. A lease and well location map is attached to this report.

The location of Well CB9#01 is approximately 1 mile north and 3/4 mile east of the junction of the Desert Mountain Road and State Route 174 (Brush Resources Mine Road).

The location of Well CL8#01 is approximately 400 feet south of the Clear Lake Waterfowl Management Area Road 2 miles west of the Waterfowl Management Area West boundary.

Elevations of the proposed drill pads are approximately 4,600 feet.

The primary access to Well CB9#01 will be from State Route 174, a paved State Highway; an existing gravel-dirt road maintained by Millard County (Desert Mountain Road); and a two-track which leaves the existing gravel-dirt road near the southwest Section Corner of Section 9, T. 15 S., R. 7 W. and continues east into Section 9. A new access road will be constructed from this existing two-track to the well site. The length of the existing two-track and new access road will be approximately 4,000 feet in length. The existing two-track will be widened and improved. The two-track and new access road are within the lease boundary and will not require a ROW. A conditional use permit with Millard County may be required for use of county maintained roads. Leon Smith should be contacted at (435) 864-1407. The new access road was marked with center line stakes.

Access to Well CL8#01 will be from State Route 257, a paved State Highway; and an existing gravel-dirt road maintained by Millard County (Clear Lake Waterfowl Management Area Road). A new access road will be constructed from the county maintained road to the well site. The new access road will be approximately 400 feet in length and will leave the county maintained road in the SE1/4 NW1/4, Section 8, T. 20 S., R.7 W. A conditional use permit with Millard County may be required for use of county maintained roads. Leon Smith should be contacted at (435) 864-1407. The new access road was marked with center line stakes.

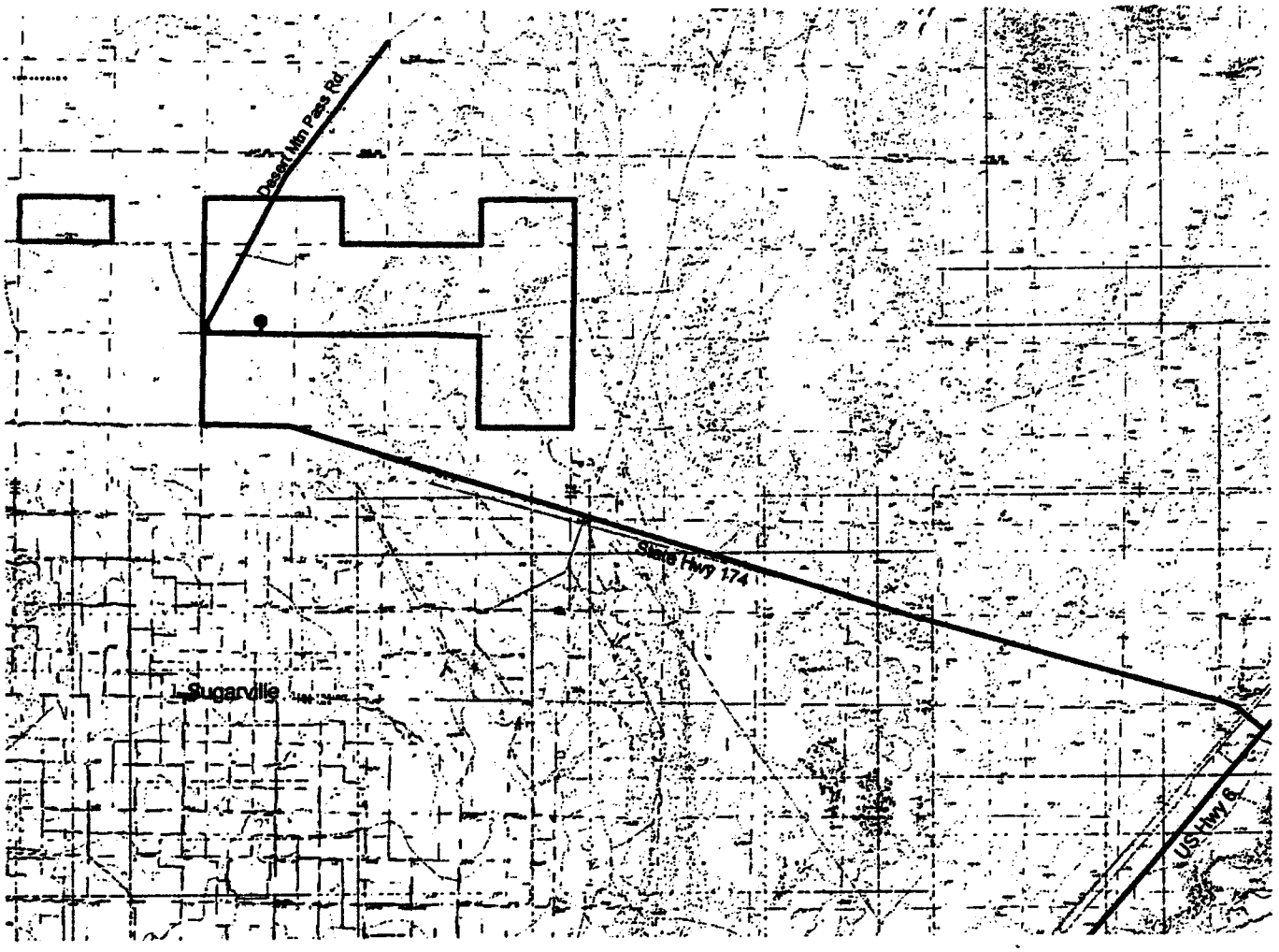
Both Wells, CB9#01 and CL8#01 are located on relatively flat terrain, which is underlain by high alkaline fine silt and clay lake bed sediment. The well locations, corners of the pads and the reserve pits were staked. The top 6 to 8 inches of top soil and vegetation will be removed and stockpiled. The reserve pits will be constructed by removal or in cut below the original land surface, therefore a bentonite liner for the pit is preferred. If a synthetic liner is used it would have to be removed at the end of operations. Reserve pit design should be such that overflow and subsurface seepage is prevented and should be addressed in the drilling plan portion of the APD. Drilling fluids will be pumped and transported to a facility appropriate for their disposal. Water based fluids are expected to be used. Drill cuttings may be disposed in the pit provided they are not contaminated. Though no H_2S is expected an H_2S plan will be a part of the APD. The well pressures are expected to be very low.

Water for drilling CB9#01 is expected to be obtained from Delta Well #5. The well depth is 150 feet below ground level (bgl), with a static water level at 50 feet bgl. The well was bailed at 20 gallons per minute with no draw down at the time of its development. The water from this well will be purchased from the BLM through a permit submitted to the Fillmore Area Office. Cattle will be making use of the water at the proposed time of drilling. The water tank must be refilled after each use by the drilling operation.

Water for drilling CL8#01 is expected to be obtained from a water well drilled on-site. A temporary water use application will need to be submitted to the State Engineer. Upon completion of the exploration well, the water well should be capped and left in good condition for use in the BLM Range Management Program.

A follow-up letter addressing on-site mitigation will be sent to the operator.

Location Map for Proposed Oil & Gas Lease UTU 74487 Exploration Well CB9#01 Section 9, T. 15 S., R. 7 W., SLM

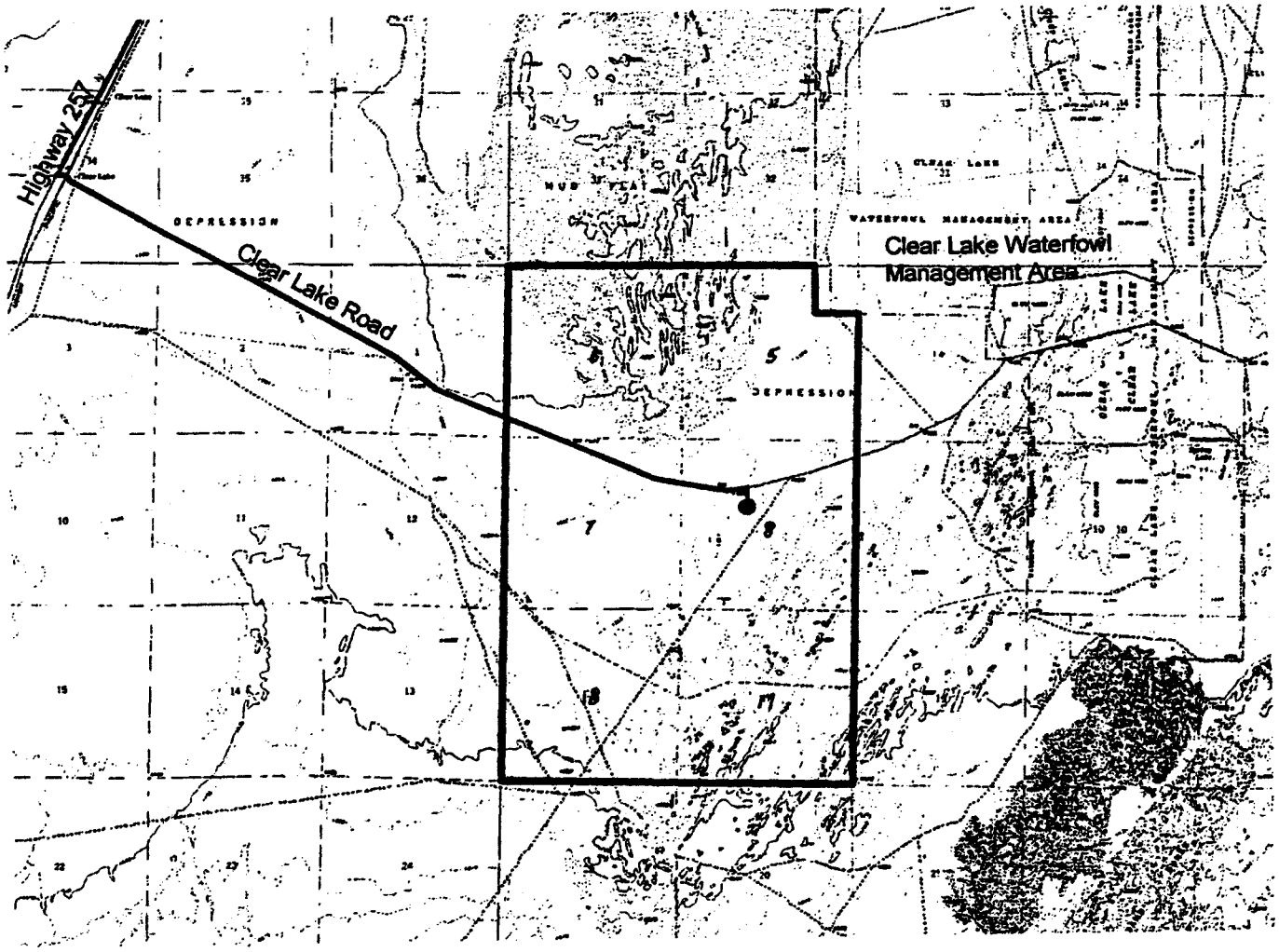


4 0 4 8 Miles

N
W E
S

- Well Location
- Access Route
- UTU 74487 Lease Boundary

Oil & Gas Lease UTU 074490
Proposes Well Location
T. 20 S., R. 7 W., SLM



2 0 2 4 Miles

N
W E
S

Leaseboundary.shp
Accessroad.shp
Well Location
Constructed Access Road

Attachment B

Interdisciplinary Team Checklist.

INTERDISCIPLINARY TEAM CHECKLIST

TEAM LEADER Jerry Mansfield DATE July 11, 2001

PROPOSED ACTION Application for Permit to Drill, CL8#01, United Oil & Minerals
CLEAR LAKE

Indicate whether or not the following Critical Elements and identified NEPA concerns of the Human Environment may be affected by the Proposed Action, and initial. **If not affected**, state brief rationale.

CRITICAL ELEMENTS	AFFECTED YES	AFFECTED NO	RATIONALE	INITIAL
Air Quality		✓	NA	PC
ACEC's		✓	NA	[illegible]
Cultural Resources[1]		✓	NHP affected	EBK
Prime/Unique Farmland		✓	NA	PC
Floodplains		✓	NA	PC
Native American Concerns		✓	< 5 acres	EBK
TES Plant Species[1]		✓	None in area	[illegible]
TES Wildlife Species[1]		✓	None in area	[illegible]
Hazardous/Solid Waste		✓	NA	[illegible]
Water Quality Drink/Grnd		✓	NA	PC
Wetland/Riparian Zones		✓	No Riparian in Project Area	[illegible]
Wild & Scenic Rivers		✓	NA	[illegible]
WSA/Other Wilderness		✓	NA	[illegible]
Standards & Guidelines		✓	N/A if leveled & seeded	[illegible]
Environmental Justice				
Noxious Weeds		✓	Salt Cedar, an undesirable invader, occurs in this area, any new infestations resulting from this disturbance are responsibility of the applicant to control.	PAJ

If Affected, list Element/NEPA concern and state short description of impacts.

OTHER ELEMENTS Comment concerning potential affects from the Proposed Action:

L Garahana: Minerals No conflict w/ minerals. LG 7/16/01

N DeMille: Lands Access road off-lease will require a Title V FLPMA right-of-way - 7/25/01 ND

H Gates: Range Stockpile topsoil, fill pits, level & respread topsoil, seed along with reseeding - fence to protect during operation & to protect seeded area HD Gates 8/27/01

L Fergus: Recreation (VRM) No conflict 7/16/01 [illegible]

B Crosland: Forestry No conflict w/ forestry 7/23/01 BC

M Pierce: Wildlife No conflict [illegible] 13 Jul 01

G Bennett: Wildhorse/Burro No conflict G Bennett 8/27/01

P Caso: Watershed No conflict D Caso 7-24-01

H Gates: Water Rights They need to let us know if they are going to drill a water well - HDH 8/27/01

L Garahana: Paleontology No conflict w/ paleo LG 7/16/01

[1]Attach Reports

FILLMORE FIELD OFFICE PROJECT PROPOSAL WORKSHEET

Project/Case No. J-010-001-068

1. **Project Name:** Clear Lake Oil & Gas Exploration Well, United Oil & Minerals

2. **Project Location:** SE1/4NW1/4, Section 08,T.20 S.,R.07 W.,SLM

3. **Applicant(s)/Permittee(s):** United Oil & Minerals

4. **When is proposal scheduled to occur:** August, 2001 .

5. **Brief Summary of Project Proposal:** Oil & Gas Exploration Well to be drilled to approximately 6000' depth. A drill pad 200' x 250' will be required. Approximately 400' of Access road will be constructed.

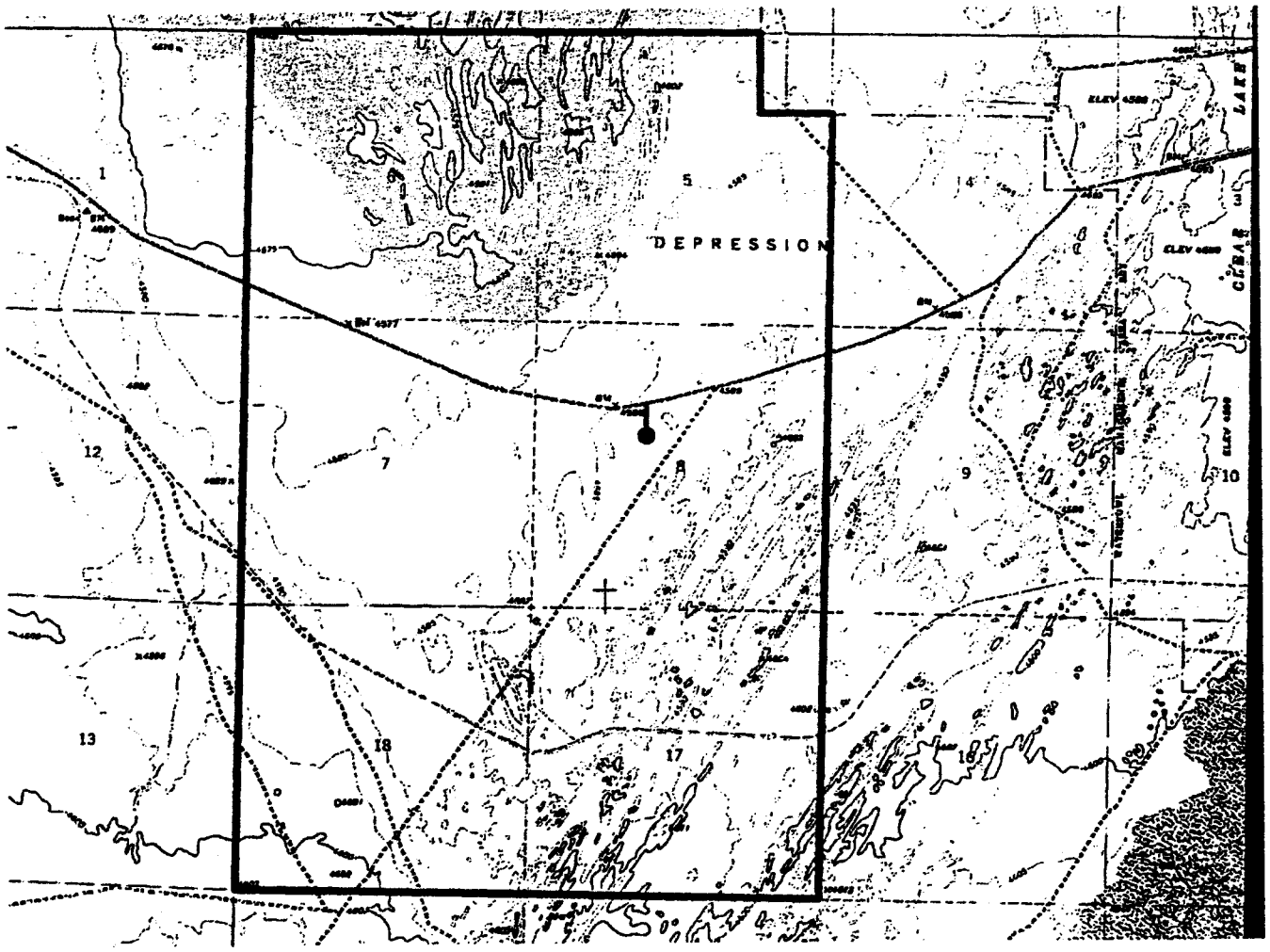
6. **Justification/Objectives:** The Warm Springs Resource Area, The Resource Management Plan, Map # 8, shows the proposed exploration drill site to be Fluid Mineral Leasing Category 1. This category includes lands that possess the resource values that would not be in serious conflict with leasable mineral exploration and development. The standard lease terms, in conjunction with On-Shore Oil & Gas Order #1, provide for protection of resource values and environmental components commonly associated with the public lands and require the lessee to take certain measures to mitigate possible impacts that might be created by leasable minerals exploration and development.

7. **Alternatives:** 1)Alternative location within lease boundary.
2)No action.

8. **Prepared By:** Jerry Mansfield

9. **Date:** July 11, 2001

Oil & Gas Lease UTU 074490
Proposes Well Location
T. 20 S., R. 7 W., SLM



1 0 1 2 Miles

Leaseboundary.shp
Well access road.shp
Well location.shp

N
W E
S

From: Nancy Roberts

Date: July 6, 2001

To: [redacted]
BLM

VIA FACSIMILE: 435-743-3135

Re: Millard County Drilling Wells

Jerry,

Per our conversation attached are the hard copies of the NOS's for two Millard County wells; CB9#01 and CL8#01. Also attached are the surveyors plats for the two locations. Looking forward to meeting with you. I will call you to arrange where to meet and timing.

United would like to hold all information on these wells confidential.

Thank you for your assistance in this matter.

Best regards,

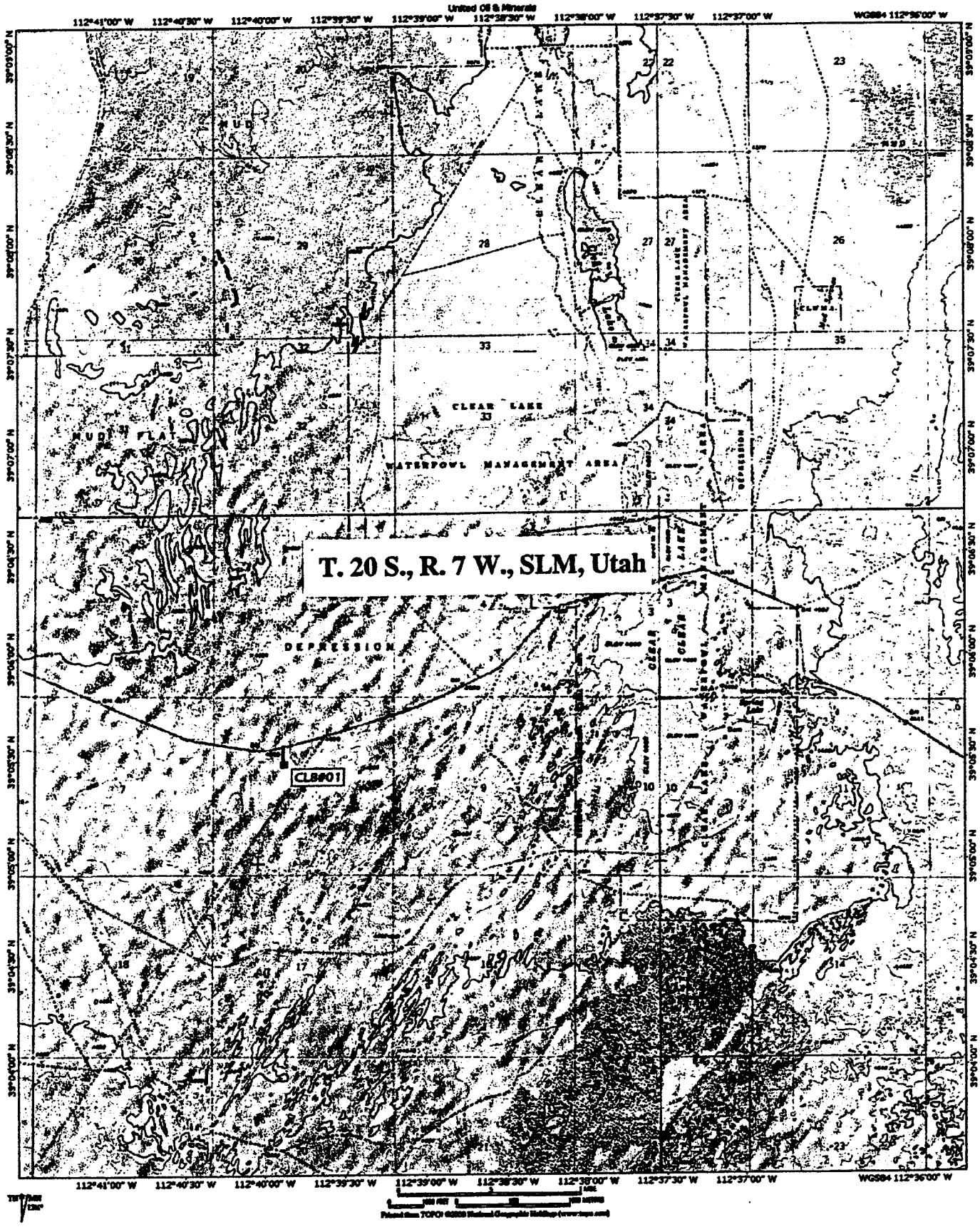
Nancy Roberts

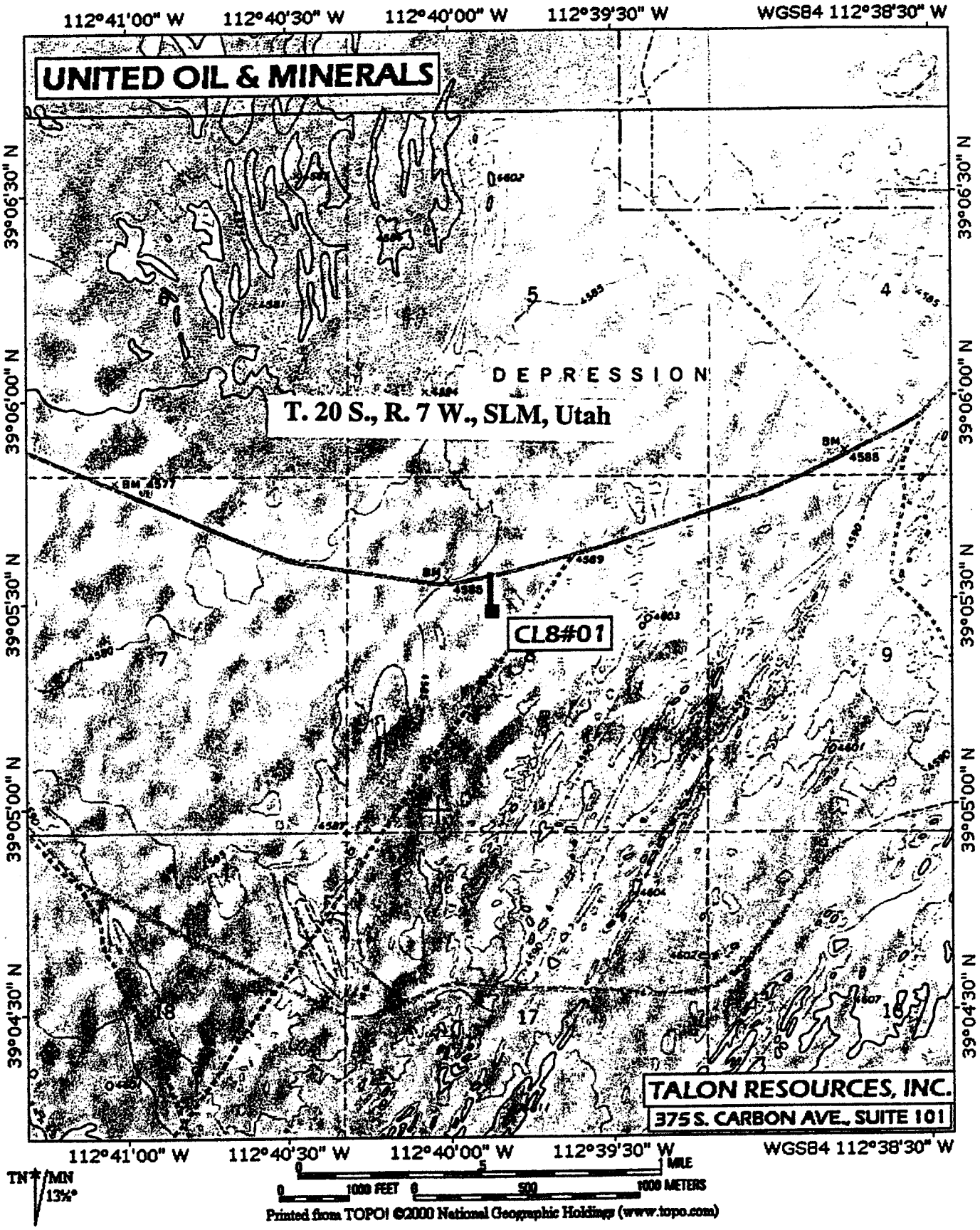
NOTICE OF STAKING Not to be used in place of Application for Permit to Drill (Form 3160- 3)	6. Lease Number UTU 74490
1. Oil Well _____ Gas Well _____ Other (Specify) exploration	7. If Indian, Allottee or Tribe Name NA
2. Name of Operator: United Oil and Minerals	8. Unit Agreement Name NA
3. Name of Specific Contact Person: Nancy Roberts	9. Farm or Lease Name Clear Lake
4. Address & Phone No. of Operator or Agent Operator: 1001 Westbank Drive Austin, TX 78746 Agent: 21900 Co. Rd 196 Nathrop, CO 81236 303-618-3135	10. Well No. CL8#01
5. Surface Location of Well 2071.10 FNL & 2054.93 FWL	11. Field or Wildcat Name Wildcat
Attach: a) Sketch showing road entry onto pad, pad dimensions, and reserve pit. b) Topographical or other acceptable map showing location, access road, and lease boundaries.	12. Sec., T., R., M., or Blk and Survey or Area Section 8, T20S, R7W S.L.B. & M.

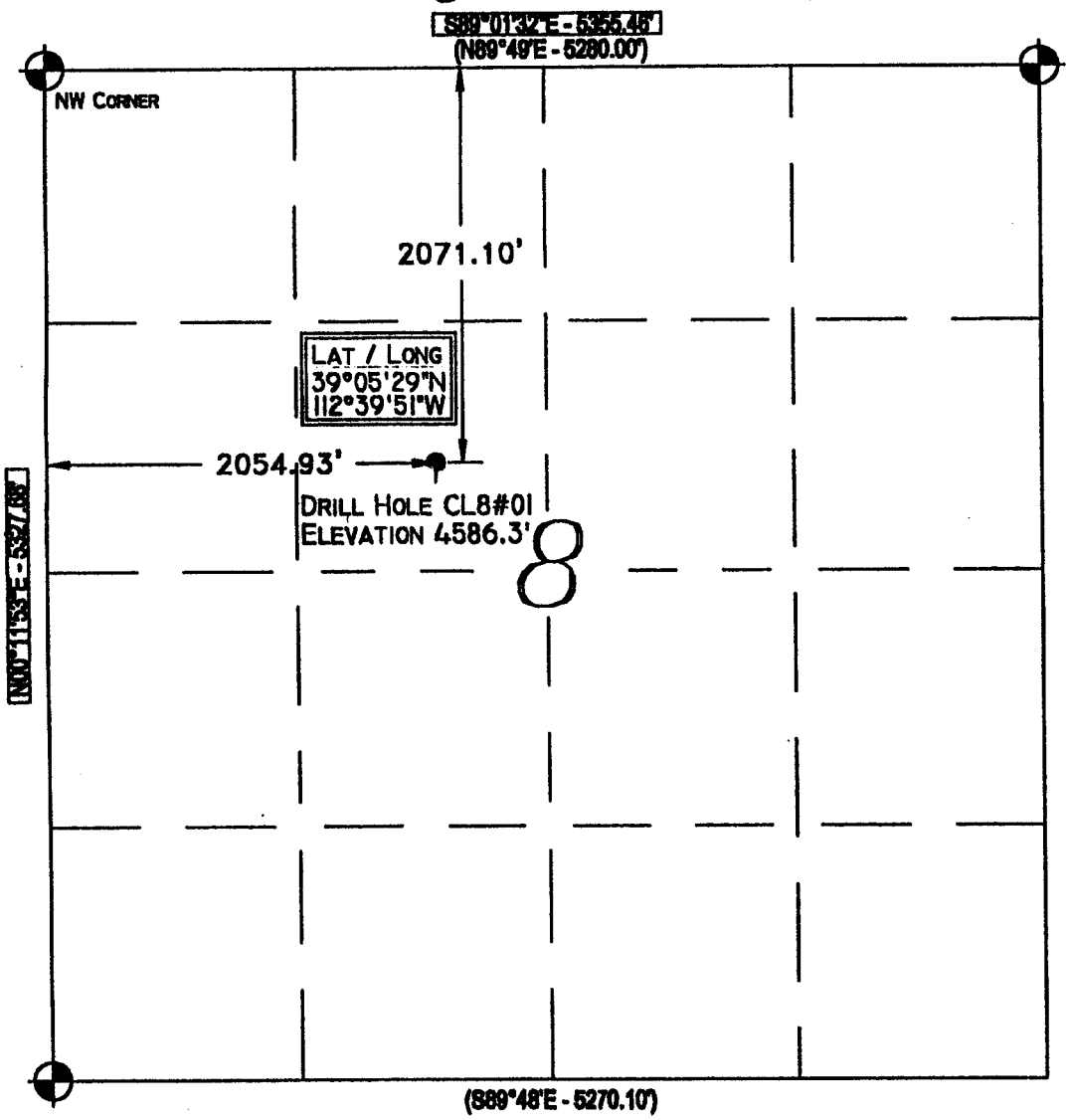
15. Formation Objectives(s)	16. Estimated Well Depth	13. County, Parish, or Borough	14. State
Basalt	6000'	Millard	UTAH

17. Additional Information (as appropriate; shall include surface owner's, name, address and, if known,
telephone number)

18. Signed	Title	Date
[signature]	Engineer Agent	7.3.01


United Oil & Minerals
112°41'00" W
112°40'30" W
112°40'00" W
112°39'30" W
112°39'00" W
112°38'30" W
112°38'00" W
112°37'30" W
112°37'00" W
WGS84 112°36'00" W
39°09'00" N
39°08'30" N
39°08'00" N
39°07'30" N
39°07'00" N
39°06'30" N
39°06'00" N
39°05'30" N
39°05'00" N
39°04'30" N
39°04'00" N
CLEAR LAKE
WATERFOWL MANAGEMENT AREA
MUD FLAT
DEPRESSION
CLEAR LAKE WATERFOWL MANAGEMENT AREA
CLB#01
T. 20 S., R. 7 W., SLM, Utah


112°41'00" W
112°40'30" W
112°40'00" W
112°39'30" W
WGS84 112°38'30" W
UNITED OIL & MINERALS
39°06'30" N
39°06'00" N
39°05'30" N
39°05'00" N
39°04'30" N
DEPRESSION
T. 20 S., R. 7 W., SLM, Utah
CL8#01
TALON RESOURCES, INC.
375 S. CARBON AVE., SUITE 101
TN
MN
13½°
MILE
1000 FEET
1000 METERS
Printed from TOPO! ©2000 National Geographic Holdings (www.topo.com)



Legend

- Drill Hole Location
- Wood Post (Found)
- Brass Cap (Searched for, but not found)
- Calculated Corner
- ( ) GLO
- GPS Measured

NOTES:
1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.
2. Wood post are 6 to 8 inches in diameter and are used as Section Corners.

Location:
The well location was determined using a Trimble 4700 GPS survey grade unit.

Basis of Bearing:
The Basis of Bearing is GPS Measured.

GLO Bearing:
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:
Basis of Elevation of 4585' being at a Bench Mark in the North West 1/4 of Section 8, Township 20 South, Range 7 West, Salt Lake Base and Meridian, as shown on the Clear Lake Quadrangle 7.5 minute series map.

Description of Location:
Proposed Drill Hole located in the SE1/4, NW1/4 of Section 8, T20S, R7W, S.L.B.&M., being 2071.10' South and 2054.93' East from the Northwest Section Corner of Section 8, T20S, R7E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

REGISTERED LAND SURVEYOR
6-19-01
No. 146652
Albert J. Spensko
STATE OF UTAH

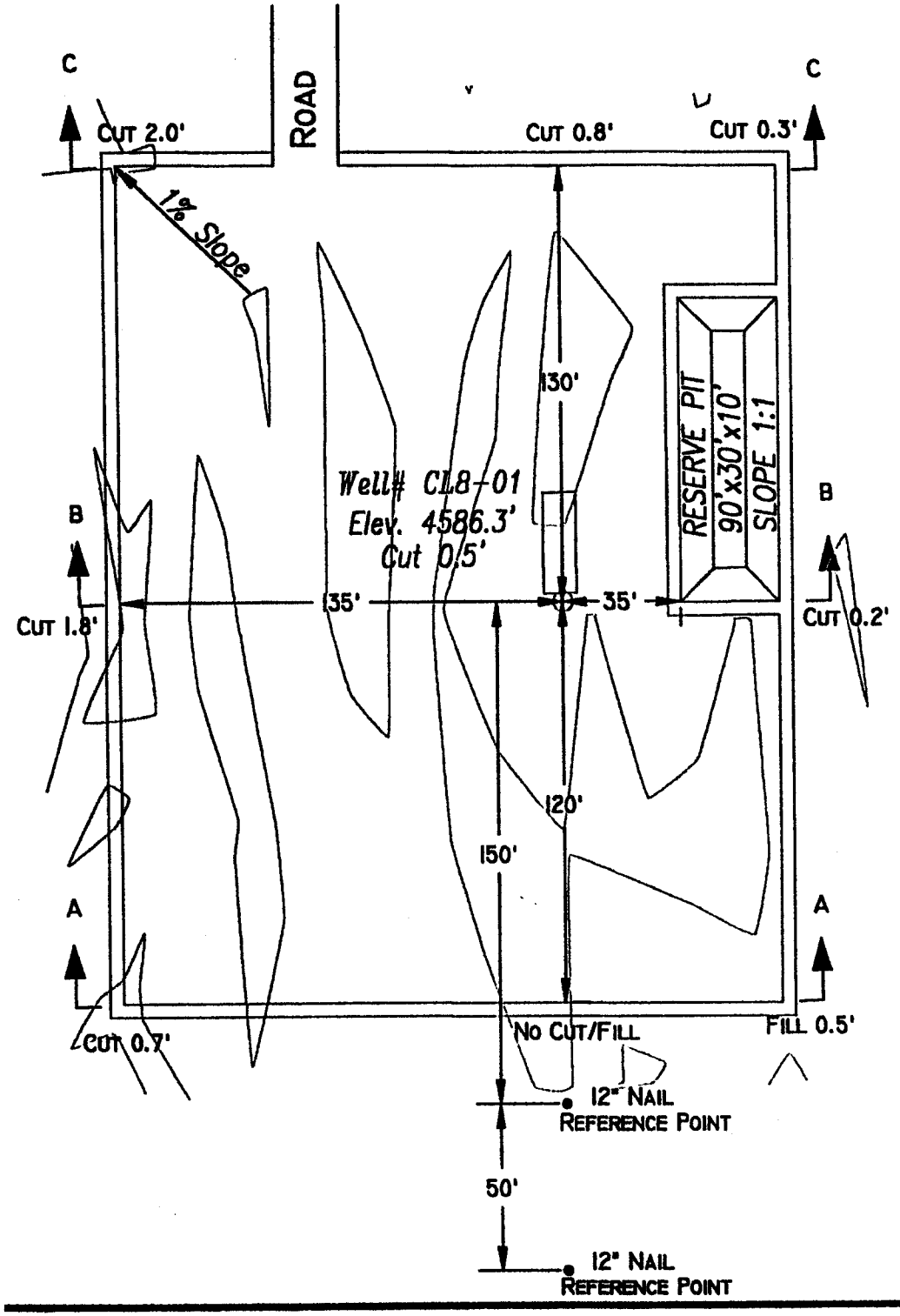
GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft

Talon Resources, Inc.
575 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603

UNITED OILS AND MINERALS
WELL CL8#01
Section 8, T20S, R7W, S.L.B.&M.
Millard County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.J.S.
Drawing No.: A-1	Date: 06/12/01
	Scale: 1" = 1000'
	Job No.

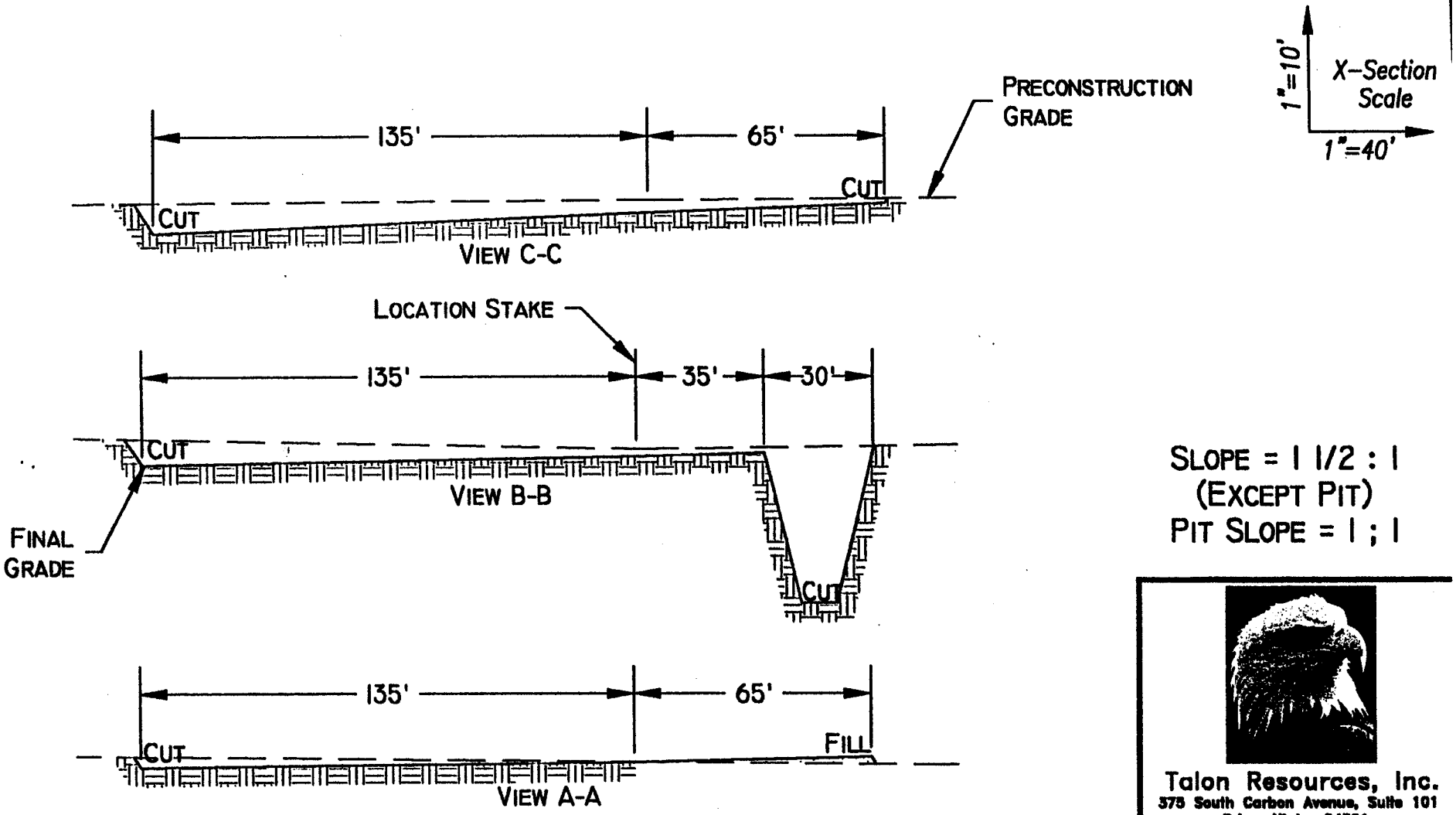
ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 4586.3'
ELAVATION OF GRADED GROUND AT LOCATION STAKE = 4585.8'



Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603

UNITED OILS & MINERALS
LOCATION LAYOUT
Section 8, T20S, R7W, S.L.B.&M.
WELL CL8#01

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 06/12/01
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 367



SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 ; 1

Talon Resources, Inc.
575 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603

UNITED OILS & MINERALS
TYPICAL CROSS SECTION
Section 8, T20S, R7W, S.L.B.&M.
WELL CL8#01

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No.: C-1	Date: 06/12/01
	Scale: 1" = 40'
	Job No.

APPROXIMATE YARDAGES

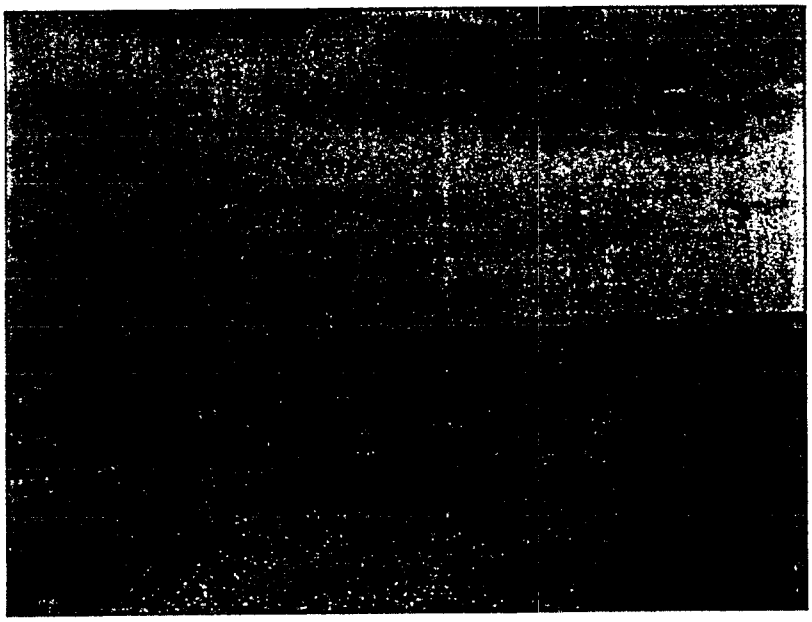
CUT
(6")TOPSOIL STRIPPING = 750 CU. YDS.
REMAINING LOCATION = 1,417 CU, YDS.
TOTAL CUT = 2,092 CU. YDS.
TOTAL FILL = 34 CU. YDS.

UNITED OIL & MINERALS

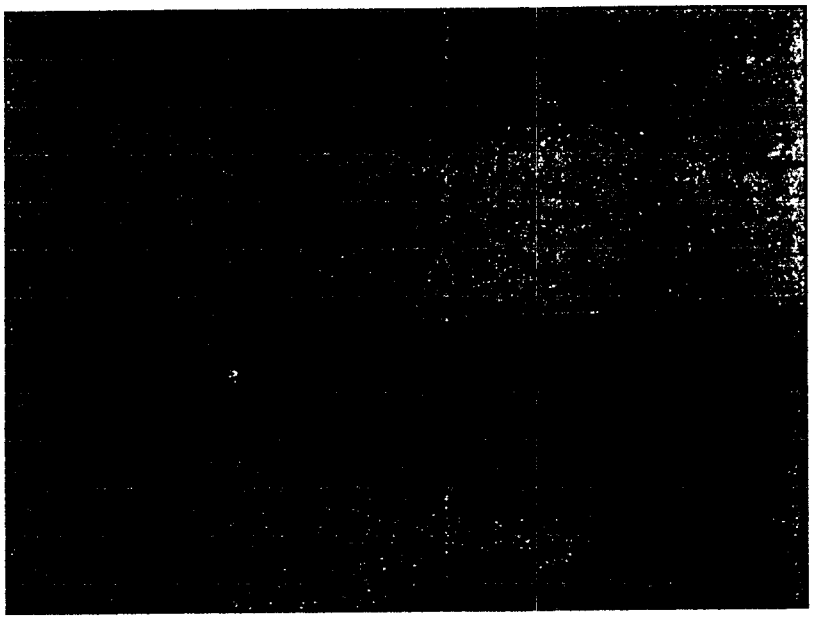
WELL CL8#01

LOCATED IN MILLARD COUNTY, UTAH

SECTION 8 T20S, R7W, S.L.B.&M.



LOOKING SOUTH



LOOKING SOUTHWEST

Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781

LOCATION PHOTOS

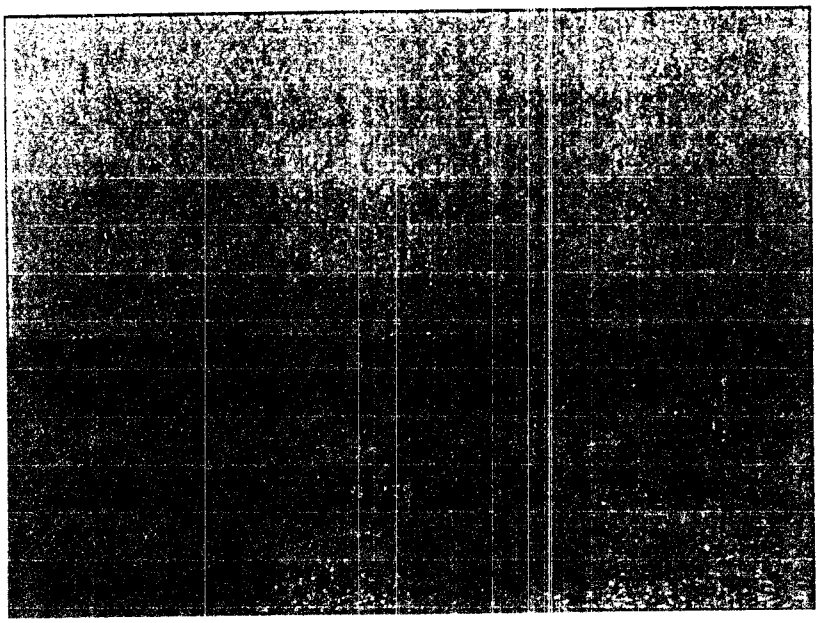
P-1

UNITED OIL & MINERALS

CL8#01

LOCATED IN MILLARD COUNTY, UTAH

SECTION 8 T20S, R7W, S.L.B.&M.



LOOKING NORTH, TOWARDS ACCESS

Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781

LOCATION PHOTOS

P-2

Threatened, Endangered & Sensitive Plant Clearance
Fillmore Field Office

DATE: July 12, 2001 **EXAMINER:** David Whitaker

PROJECT NAME: Application for Permit to Drill, CX8#01, United Oil and Minerals

PROJECT LOCATION: T. 20 S., R. 7 W., Section 8.

RESOURCE AREA: Fillmore Field Office

VEGETATION TYPE: Salt desert shrub

Description of Field Work: Literature search of the Fillmore BLM library and Richfield Field Office information.

Reference Sources:
-Utah's Rare Plants Revisited (Great Basin Naturalist Vol.45, No.2)
-Plants From Millard County (BYU 1980)
-MX Final Report 1980
-1991 Habitat Survey, House Range R.A.
-1991 Habitat Survey, Warm Springs R.A.
-others

General Comments:
BLM land within the Fillmore Field Office contains no plant species that are federally listed as Threatened, Endangered, or Proposed as such. Therefore, there is **no effect** on any threatened or endangered plant population.

There are several plants designated as BLM sensitive species in the Fillmore Field Office Area. However, none of these species are known to occur in the proposed project area.

If any sensitive species are discovered during construction activities or the project life which may be affected or disturbed, all activities that may affect this resource will cease and notification will be made to the TES plants specialist in the field office.

Threatened, Endangered, or Sensitive Plants Yes___ No X

(List if Yes):_____

DMW

THREATENED ENDANGERED AND SENSITIVE ANIMAL SPECIES

Date: July 13, 2001 Examiner: Mark Pierce

Project Name: Clear Lake APD

Project Location T. 20 S , R. 07 W., Sec(s) 8

Elevation: 4600 feet

Vegetative Type: Desert Shrub

Description of Field Work: None

Reference Sources: House Range ROD October 1987
WSRA ROD April 1987

General Comments: No impact to TES species because there are not any in the project area.

Threatened, Endangered or Sensitive Species: Yes No X

(List if Yes)

Species Collected on Site

Species Observed on Site

Potential Impacts on Species From the Project: None

Signature of Inspector

Form UT-8100-3
(December 2000)

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE

U.S. Dept. of the Interior
Bureau of Land Management
Utah State Office

Summary Report of Cultural Resources Inspection

State Proj. No: U-01-BL-0525b

1. Report Title: Clear Lake Oil and Gas Exploration Well

2. Report Date: 09/14/01

3. Date(s) of Survey: 08/10/01

4. Development Company: BLM

5. Responsible Institution: BLM

6. Responsible Individuals
   Principal Investigator: Erik Kreusch
   Field Supervisor: Erik Kreusch
   Report Author(s): Erik Kreusch

7. BLM Field Office: Fillmore Field Office

8. County(ies): Millard

9. Fieldwork Location:
   The site is located approximately 1 mile west of Clear Lake in Millard County, Utah.

   USGS Map: Clear Lake, Utah 7.5'

   Twn: 20S Range: 7W Section: 8 SE¼NW¼

10. Record Search:
    Location of Records Searched: Fillmore Field Office

    Date of Record Search: 08/10/01

11. Description of Proposed Project: The proposed project is for the drilling of an exploration well. A drill pad 200' x 250' will be required. Approximately 400' of access road will be constructed.

12. Description of Examination Procedures: The entire proposed pad area and access road was surveyed utilizing 5m pedestrian transects.

13. Area Surveyed:

		BLM	OTHER FED	STATE	PRIVATE
Linear Miles	Intensive:				
	Recon/Intuitive:				
Acreage	Intensive:	1 acre			
	Recon/Intuitive:				

14. Sites Recorded: 0

		BLM		OTHER FED		STATE		PRIVATE	
		#	Smithsonian Site Numbers	#	Smithsonian Site Numbers	#	Smithsonian Site Numbers	#	Smithsonian Site Numbers
Revisits (no IMACS form)	NR Eligible	0		0		0		0	
	Not Eligible	0		0		0		0	
Revisits (updated IMACS)	NR Eligible	0		0		0		0	
	Not Eligible	0		0		0		0	
New Recordings (IMACS)	NR Eligible	0		0		0		0	
	Not Eligible	0		0		0		0	

Total Number of Archeological Sites: 0

Historic Structures (USHS Form): 0

Total National Register Eligible Sites: 0

15. Description of Findings: No Historic Properties were identified in the survey.

16. Collection Yes___ No_✓_

(If Yes) Curation Facility: Accession Number(s):

17. Conclusion/Recommendations: No Historic Properties will be Affected by the proposed project. Therefore, the project should proceed as planned

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

002

APD RECEIVED: 02/07/2002

API NO. ASSIGNED: 43-027-30042

WELL NAME: CL8#01

OPERATOR: UNITED OIL & MIN (N1840)

CONTACT: NANCY ROBERTS

PHONE NUMBER: 512-328-8184

PROPOSED LOCATION:

SENW 08 200S 070W

SURFACE: 2071 FNL 2055 FWL

BOTTOM: 2071 FNL 2055 FWL

MILLARD

WILDCAT (1)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-74490

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: BSLT

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 68S100956900)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 68-6)

N RDCC Review (Y/N)
(Date:)

N/A Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3. Unit

✓ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

___ Drilling Unit
Board Cause No:
Eff Date:
Siting:

___ R649-3-11. Directional Drill

COMMENTS: BLM Aprv. 12-18-01.

STIPULATIONS: 1-Fed. Approval
2-Spacing Stip.

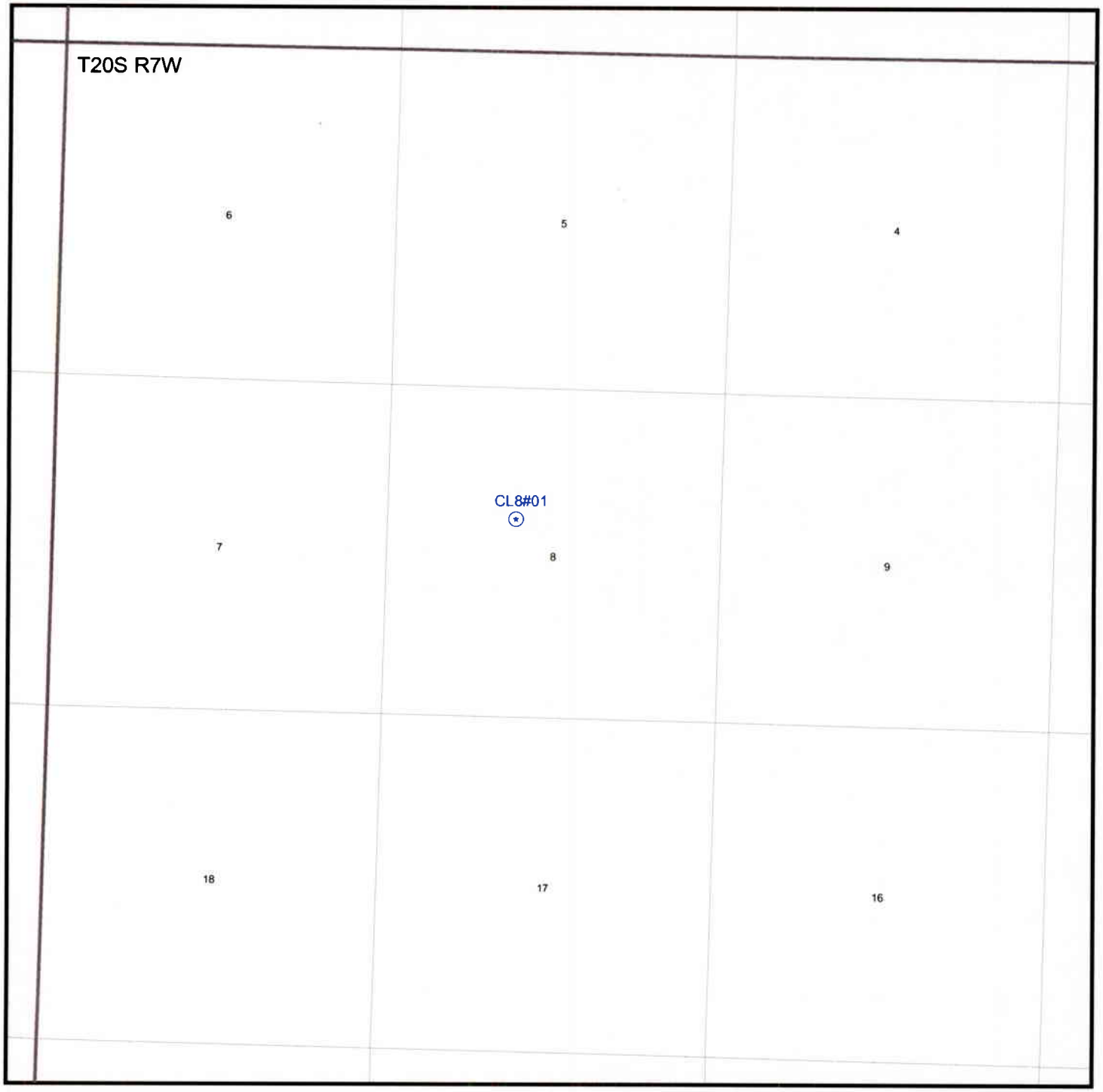
Utah Oil Gas and Mining

OPERATOR: UNITED OIL & MINERALS (N1840)

SEC. 8, T20S, R7W

FIELD: WILDCAT (001)

COUNTY: MILLARD SPACING: R649-3-2/GEN ST



PREPARED BY: LCORDOVA
DATE: 7-FEBRUARY-2002

003

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

February 7, 2002

United Oil & Minerals
1001 Westbank
Austin TX 78746

Re: CL8#01 Well, 2071' FNL, 2055' FWL, SE NW, Sec. 8, T. 20 South, R. 7 West, Millard County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-027-30042.

Sincerely,

John R. Baza
Associate Director

er
Enclosures
cc: Millard County Assessor
Bureau of Land Management, Fillmore District Office

Operator: United Oil & Minerals

Well Name & Number CL8#01

API Number: 43-027-30042

Lease: UTU-74490

Location: SE NW **Sec.** 8 **T.** 20 South **R.** 7 West

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

   Notify the Division within 24 hours of spudding the well.

   - Contact Carol Daniels at (801) 538-5284.

   Notify the Division prior to commencing operations to plug and abandon the well.

   - Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

004

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: UNITED OIL & MIN LIMITED P

Well Name: CL8#01

Api No.. 43-027-30042 LEASE TYPE: FEDERAL

Section 08 Township 20S Range 07W County MILLARD

Drilling Contractor LANE WESTERN DRL RIG # CHALLENGER 360

SPUDDED:

Date 02/12/2002

Time 1:30 PM

How DRY

Drilling will commence

Reported by NANCY ROBERTS

Telephone # 1-303-618-3135

Date 02/13/2002 Signed: CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: United Oil and Minerals
Operator Account Number: N 1840
Address: 1001 Westbank
city Austin
state TX zip 78746
Phone Number: (512) 328-8184

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4302730042	CL8#01	SENW	8	20S	7W	Millard

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date
A	99999	13427	2/12/2002	3-4-02 ~~2/12/2002~~

Comments:

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Nancy Roberts
Name (Please Print)

Signature

Eng Asst
Title

2-26-02
Date

(5/2000)

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

DOGM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 74490
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
8. WELL NAME and NUMBER: CL8#01
9. API NUMBER: 4302730042
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER Exploration
2. NAME OF OPERATOR: United Oil and Mineral
3. ADDRESS OF OPERATOR: 1001 Westbank CITY Austin STATE TX ZIP 78746 PHONE NUMBER: (512) 328-8184 (214) 969-5401
4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2071.10 FNL & 2054.93 FWL COUNTY: Millard
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 8 20S 7W STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☑ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Spot 250' of cement from TD (4350) to 4100. Using 160 sx of Class A cement.

PU and spot 200' cement from approximately 3700 to 3500. Top of the basalt section. Using 160 sx of Class A cement.

PU and spot approximately 200 of cement from 800' to 600'. (surface casing @700') Using 125 sx of Class A cement.

PU and spot approximately 100' of cement from 100' to surface using 50 sx of Class A cement.

Cut of casing 3' below GL. Weld on steel marker plate. P&A complete.

NAME (PLEASE PRINT) Nancy Roberts TITLE Engineer/Agent

SIGNATURE Nancy Roberts DATE

(This space for State use only)

COPY SENT TO OPERATOR
Date: 2/26/02
Initials: CHD

(5/2000) (See Instructions on Reverse Side)

Accepted by the Utah Division of Oil, Gas and Mining
Date: 2/26/02
By: D. R. Dunn

Federal Approval Of This Action Is Necessary

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FEB 26 2002
DIVISION OF OIL, GAS AND MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ (highlight changes) FORM 8

007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 74490

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ DRY ☑ OTHER

7. UNIT or CA AGREEMENT NAME:

b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

8. WELL NAME and NUMBER: CL8#01

2. NAME OF OPERATOR: United Oil and Minerals

9. API NUMBER: 4302730042

3. ADDRESS OF OPERATOR: 1001 Westbank CITY Austin STATE TX ZIP 78746

PHONE NUMBER: (512) 328-8184

10 FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 2071 FNL & 2055 FWL
AT TOP PRODUCING INTERVAL REPORTED BELOW: same
AT TOTAL DEPTH: same

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 8 20S 7W

12. COUNTY: Millard

13. STATE: UTAH

14. DATE SPUDDED: 2/12/2002

15. DATE T.D. REACHED: 2/23/2002

16. DATE COMPLETED: 2/25/2002 ABANDONED ☑ READY TO PRODUCE ☐

17. ELEVATIONS (DF, RKB, RT, GL): 4585.8GR

18. TOTAL DEPTH: MD 4,400 TVD 4,400

19. PLUG BACK T.D.: MD TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
CZ-Denslog, CNL, GR, DIL, Caliper, 3-26-02
Acoustilog - 3-26-02

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4	9 5/8 J55	36	0	708		385		surface cir	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A)				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:
☑ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS:

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(CONTINUED ON BACK)

31. INITIAL PRODUCTION — **INTERVAL A (As shown in Item #26)**

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

35. ADDITIONAL REMARKS (Include plugging procedure)

Set plugs @ 4350-4100, 3700-3500, 800-620, 90 to surface

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Nancy Roberts TITLE Engineer/Agent

SIGNATURE [signature] DATE 3/22/2002

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

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(5/2000)